

MEMA ISDA Credit Support Annex Schedule (Paragraph 13) Template

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- 4. This Schedule template assumes that the Credit Support Annex will be included in the Agreement.
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ISDA®
International Swaps and Derivatives Association, Inc.

SCHEDULE
to the
CREDIT SUPPORT ANNEX

dated as of _____, ____

between

Party A Name,
a _____ organized under the
laws of the State of _____

(“Party A”)

Party B Name,
a _____ organized under the laws of
the State of _____

(“Party B”)

Comment: The Credit Support Annex is a preprinted form available from ISDA. This Schedule is where the custom selections and modifications are made. It is commonly referred to as “Paragraph 13.” The Schedule to the ISDA Credit Support Annex is a copyrighted ISDA document.

Paragraph 13. Elections and Variables

(a) **Security Interest for “Obligations”.** The term “*Obligations*” as used in this Annex includes the following additional obligations:

With respect to Party A: None

With respect to Party B: None

Comment: See Definition of “Obligations” in Paragraph 12, this is where the definition would be expanded. Typically in our business the parties do not add additional obligations.

(b) **Credit Support Obligations.**

(i) **Delivery Amount, Return Amount and Credit Support Amount:**

- (1) “*Delivery Amount*” has the meaning specified in Paragraph 3(a).
- (2) “*Return Amount*” has the meaning specified in Paragraph 3(b).
- (3) “*Credit Support Amount*” has the meaning specified in Paragraph 3.

(ii) **Eligible Collateral.** The following items will qualify as “*Eligible Collateral*” for the party specified:

Comment: (b)(i) is traditionally included as shown, not sure why, no one ever modifies these definitions.

Comment: Typically the parties specify cash as Eligible Collateral and letters of credit and/or guarantees as Other Eligible Support. If a party’s Credit Support Provider is supplying a guaranty, such document is also noted in the Master Agreement Schedule as a separate Credit Support Document. When electing a guaranty, the parties may also consider specifying the collateral threshold as noted in Example 4 below in section (b)(iv). The parties may also consider stating that guaranty language must be acceptable to the beneficiary.

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	Party A (X if applicable)	Party B (X if applicable)	Valuation Percentage
(A) Cash	X	X	100%
(iii) <u>Other Eligible Support</u> . The following items will qualify as “Other Eligible Support” for Party A and Party B:			
(1) Letters of Credit (as defined in Paragraph 13(n) and as further described in Paragraph 13(j)(iii) hereof).			

Comment: Standard

Comment: Some parties elect to also note Guarantees as Eligible Support. If you do that, also need to amend Paragraph 13(k)(i) to address draws on the Guaranty.

Comment: Standard.

The Valuation Percentage shall be 100% of the Value of such Other Eligible Support unless (i) a Letter of Credit Default shall apply with respect to such Letter of Credit, or (ii) twenty (20) or fewer Business Days remain prior to the expiration of such Letter of Credit, in either of which case the Valuation Percentage shall be zero.

Comment: Standard that L/C is worth 100% of its face value.

(2) Delivery to the Secured Party at the address of the Secured Party of an amendment to the Guaranty provided by the Pledgor, executed by the issuer of the Guaranty, increasing the amount available to the Secured Party thereunder, provided that such increase does not exceed the Threshold set forth on the Threshold Grid set forth in (iv) below. The Valuation Percentage of such Other Eligible Support shall be 100% of the increase in the amount guaranteed by such Other Eligible Support.

(iv) Thresholds.

Comment: The “Threshold” is basically how far one party is willing to credit the other party before demanding collateral from such other party. Here are several examples of how a Threshold may be defined. Must be individually and carefully negotiated and tailored to the situation of each party. It is possible that none of the examples will be appropriate to your situation.

Example 1 (thresholds \$0, meaning that each party must post cash or L/C):

“Threshold” with respect to Party A: 0

“Threshold” with respect to Party B: 0

Example 2 (threshold as fixed amounts, Party B has guarantor/credit support provider):

“Threshold” with respect to Party A: ___ US (or CD); provided however, that the Threshold for Party A will be zero upon the occurrence and during the continuance of an Event of Default with respect to Party A.

“Threshold” with respect to Party B: ___ USD (or CD); provided however, that the Threshold for Party B will be (i) the lesser amount of the Threshold specified herein or the guaranty amount, if any; and (ii) zero upon the occurrence and during the continuance of an Event of Default with respect to Party B.

Example 3 (more elaborate/paranoid version of the above):

“Threshold” means with respect to Party A (or B): The lesser of ___ USD (or CD) or the amount of any dollar limit contained in a guaranty provided by Party A’s Guarantor; provided however, that the Threshold for Party A shall be zero upon the occurrence and during the continuance of an Event of Default with respect to Party A; and provided further that, in the event that, and on the date that, Party A cures the Event of Default on or prior to the date that

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Party A is required to post Credit Support to Party B pursuant to a demand made by Party B pursuant to the provisions of this Annex on or after the occurrence of such Event of Default, (i) the Threshold amount for Party A shall automatically increase from zero to the Threshold amount prior to the occurrence of the Event of Default with respect to Party A and (ii) Party A shall be relieved of its obligation to post Credit Support pursuant to such demand.

Example 4 (threshold tied to credit ratings (or credit rating of guarantor/credit support provider):

In regard to Party A, Threshold shall mean the lesser of the maximum amount guaranteed by Party A’s [Party A’s Credit Support Provider] and the respective thresholds specified below set forth opposite the long-term senior unsecured debt rating (not supported by third-party enhancement) of Party’s A’s Credit Support Provider, as rated by Standard & Poor’s Ratings Services or any successor entity (“S&P”) or Moody’s Investors Service, Inc. or any successor entity (“Moody’s”). In regard to Party B, Threshold shall mean the lesser of the maximum amount guaranteed by Party B’s Credit Support Provider and the respective thresholds specified below set forth opposite the long-term senior unsecured debt rating (not supported by third-party enhancement) of Party B’s Credit Support Provider, as rated by S&P or Moody’s.

<u>Rating by Standard & Poor’s Ratings Services</u>	<u>Rating by Moody’s Investors Service, Inc.</u>	<u>Threshold Amount</u>
AAA and above	Aa and above	\$
AA+ , AA,AA-	Aa1, Aa2,Aa3	\$
A+	A1	\$
A	A2	\$
A-	A3	\$
BBB+	Baa1	\$
BBB	Baa2	\$
BBB-	Baa3	\$
BB+ or below or not rated	Ba1 or below or not rated	\$0

Comment: If a credit rating matrix is used to define the threshold, it can be elaborate or simple, this is a fairly elaborate example. It can include all the ratings services, or only one.

In case of a split rating by S&P and Moody’s, the lower rating shall be determinative of the Threshold Amount . In the case of either Party A or Party B, such party’s Threshold will be zero upon the occurrence of an Event of Default.

(v) Minimum Transfer Amount. In regard to Party A and Party B, the Minimum Transfer Amount shall be **\$1.00**

Comment: Some parties prefer to specify significant amounts to avoid the administrative headache of *de minimus* transfers. Have seen amounts up to \$10,000. Once the Minimum Transfer Amount is reached, the party that owes must transfer the full calculated amount of the delivery or return amount, subject to rounding.

(vi) Rounding. The Delivery Amount and the Return Amount will be rounded up and down to the nearest integral multiple of **\$100,000**, respectively.

(vii) **Independent Amount: None.**

Comment: \$100,000 is a common rounding amount, could be lower, could be higher. As in the above figures, an individual and tailored selection.

(c) **Valuation and Timing.**

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- (i) **“Valuation Agent”** means, for purposes of Paragraph 3, the party making the demand under Paragraph 3; for purposes of Paragraph 4(d), the Secured Party for purposes of calculating the Value of the Substitute Credit Support and Posted Credit Support involved in the substitution; for purposes of Paragraph 5, the Secured Party; and for the purposes of Paragraph 6(d), the Secured Party receiving or deemed to receive the Distributions or the Interest Amount, as applicable. Notwithstanding the foregoing, in all cases if an Event of Default or Potential Event of Default or Specified Condition has occurred and is continuing with respect to the party designated as the Valuation Agent, then in such case, and for so long as the Event of Default or Potential Event of Default or Specified Condition is continuing, the other party shall be the Valuation Agent.
 - (ii) **“Valuation Date”** means each Local Business Day designated as a Valuation Date by notice given by one party to the other no later than the Notification Time on the Local Business Day before the Valuation Date so designated.
 - (iii) **“Valuation Time”** means the close of business in the city of the Valuation Agent on the Local Business Day before the Valuation Date or date of calculation, as applicable, or any time on the Valuation Date or date of calculation, as applicable; *provided* that the calculations of Value and Exposure will be made as of approximately the same time on the same date.
 - (iv) **“Notification Time”** means 1:00 p.m., New York time, on a Local Business Day.
 - (v) **Paragraph 4(b)** is modified such that the word “second” replaces the word “next” in the third line before the words “Local Business Day” and the word, “third” replaces the word “second” in the fifth line before words “Local Business Day thereafter”.
- (d) **Conditions Precedent and Secured Party's Rights and Remedies.** For purposes of Paragraph 8(a) and Paragraph 8(b), each Termination Event will constitute a Specified Condition with respect to a Pledgor or a Secured Party, respectively, if the Pledgor or Secured Party, respectively, fails to pay when due any amount payable by it in connection with an Early Termination Date designated in connection with the Termination Event. For all other purposes of this Annex, each Termination Event(s), if checked, will be a “Specified Condition” for the party specified (that party being the Affected Party if the Termination Event occurs with respect to that party):

	<u>Party A</u>	<u>Party B</u>
Illegality	[X]	[X]
Tax Event	[]	[]
Tax Event Upon Merger	[]	[]
Credit Event Upon Merger	[X]	[X]
Additional Termination Event(s):	[X]	[X]

- (e) **Substitution.**
- (i) **“Substitution Date”** has the meaning specified in Paragraph 4(d)(ii).
 - (ii) **Consent.** If specified here as applicable, then the Pledgor must obtain the Secured Party’s consent for any substitution pursuant to Paragraph 4(d): Applicable

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(f) Dispute Resolution.

- (i) **“Resolution Time”** means 1:00 p.m., New York time, on the Local Business Day following the date on which the notice is given that gives rise to a dispute under Paragraph 5.
- (ii) **Value.** For the purpose of Paragraphs 5(i)(C) and 5(ii), the Value of Posted Credit Support will be calculated as follows: (A) with respect to cash, the face value of such cash collateral, and (B) with respect to Letters of Credit, an amount equal to the value as calculated in Paragraph 13(j)(i).
- (iii) [optional] **Alternative.** The provisions of Paragraph 5 will apply, except as follows: Pending the resolution of a dispute, Transfer of undisputed amounts will be due as provided in Paragraph 5 if the notice provided by the Disputing Party is made at or before the Notification Time, but will be due on the second Local Business Day following the date of the notice if such notice is made after the Notification Time.

(g) Holding and Using Posted Collateral.

- (i) **Eligibility to Hold Posted Collateral: Custodians.** Party A and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b); *provided* that the following conditions applicable to it are satisfied:

- (1) Party A is not a Defaulting Party.
- (2) Posted Collateral may be held only in the following jurisdictions: United States of America and Canada.

Initially, the **Custodian** for Party A is: None.

Party B and its Custodian will be entitled to hold Posted Collateral pursuant to Paragraph 6(b); *provided* that the following conditions applicable to it are satisfied:

- (1) Party B is not a Defaulting Party.
- (2) Posted Collateral may be held only in the following jurisdictions: United States of America and Canada.

Initially, the **Custodian** for Party B is: None.

Note: the parties may wish to impose other requirements to hold collateral, such requirements might include one or more of the following:

- *The Custodian is a bank or trust company located in the United States or Canada having total assets of at least \$___, or*
- *The Credit Rating of the Custodian is at least A- by S&P or A3 by Moody's.*
- *All Posted Collateral shall be held in the United States or Canada.*

Comment: The parties may wish to be very specific about the requirements of holding cash, type of bank etc. Examples are noted, but there could be any number of other requirements. Parties who bank with CoBank should be aware that CoBank is not a rated institution and consequently can not meet certain requirements typically imposed on Custodians and Qualified Institutions.

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- *All Posted Collateral shall be held in a segregated, safekeeping or custody account with such Custodian (subject to customary custody and control provisions) with the title of the account indicating that the property contained therein is being held as Cash owned by the Pledgor, subject to the security interest of the Secured Party.*

Use of Posted Collateral. The provisions of Paragraph 6(c) will not apply to Party A and will not apply to Party B.

(h) Distributions and Interest Amount.

- (i) **Interest Rate.** The “*Interest Rate*” will be at a rate per annum equal to the “Federal Funds Effective” rate in effect for such day, as published in the most recent weekly statistical release designated as H.15(519), or any successor publication, published by the Board of Governors of the Federal Reserve System.
- (ii) **Transfer of Interest Amount.** The Transfer of Interest Amount will be calculated on the last Local Business Day of each calendar month, and the Transfer of Interest shall be made, subject to the Minimum Transfer Amount, on any Local Business Day that Posted Collateral in the form of Cash is Transferred to the Pledgor pursuant to Paragraph 3(b).
- (iii) **Alternative to Interest Amount.** The provisions of Paragraph 6(d)(ii) will apply.

(i) Additional Representation(s). Pledgor shall be deemed to make the representations and warranties set forth in Section 3 of the Agreement on each Delivery Date.

(j) Other Eligible Support and Other Posted Support.

- (i) **“Value”** with respect to Other Eligible Support and Other Posted Support means: (A) with respect to cash, the face value of such, and (B) with respect to Letters of Credit, an amount equal to the Valuation Percentages less any drawn portion of any Letter of Credit maintained by the Pledgor (or its Credit Support Provider) for the benefit of the Secured Party, and (C) with respect to any Guaranty, the maximum amount guaranteed thereunder and the Valuation Percentage of any Guaranty.
- (ii) **“Transfer”** with respect to Other Eligible Support and Other Posted Support means:
 - (1) *(For Letters of Credit).* For purposes of Paragraph 3(a) and 5, delivery of the Letter of Credit by the Pledgor or the issuer of the Letter of Credit to the Secured Party at the address of the Secured Party specified in the Notices Section of this Agreement, or delivery of an executed amendment to such Letter of Credit (extending the term or increasing the amount available to the Secured Party thereunder) by the Pledgor or the issuer of the Letter of Credit to the Secured Party at address of the Secured Party specified in the Notices Section of this Agreement; and
 - (2) *(For Letters of Credit).* For purposes of Paragraph 3(b), 5 and 8, by return of an outstanding Letter of Credit by the Secured Party, together with a release or termination in form and substance satisfactory to the Pledgor, at the address of the Pledgor specified in the Notices Section of this

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Agreement, or delivery by the Secured Party of an executed amendment to the Letter of Credit in form and substance satisfactory to the Pledgor (reducing the amount available to the Secured Party thereunder) to the Pledgor or the issuer of the Letter of Credit at the Pledgor's address specified in the Notices Section of this Agreement. If a Transfer is to be effected by a reduction in the amount of an outstanding Letter of Credit previously issued for the benefit of the Secured Party, the Secured Party shall not unreasonably withhold its consent to a commensurate reduction in the amount of such Letter of Credit and shall take such action as is reasonably necessary to effectuate such reduction.

- (3) *(For any Guaranty)*. For purposes of Paragraph 3(a) and 5, delivery of the Guaranty by the Pledgor or the issuer of the Guaranty to the Secured Party at the address of the Secured Party specified in the Notices Section of this Agreement, or delivery of an executed amendment to such Guaranty (extending the term or increasing the amount available to the Secured Party thereunder) by the Pledgor or the issuer of the Guaranty to the Secured Party at the address of the Secured Party specified in the Notices Section of this Agreement; and
 - (4) *(For any Guaranty)* For purposes of Paragraph 3(b), 5 and 8, delivery by the Secured Party of an executed document in form and substance satisfactory to the Pledgor (reducing the amount available to the Secured Party under the Guaranty) to the Pledgor or the issuer of the Guaranty at the Pledgor's address specified in the Notices Section of this Agreement. If a Transfer is to be effected by a reduction in the amount of an outstanding Guaranty previously issued for the benefit of the Secured Party, the Secured Party shall not unreasonably withhold its consent to a commensurate reduction in the amount of such Guaranty and shall take such action as is reasonably necessary to effectuate such reduction.
- (iii) **Letter of Credit Provisions:** Other Eligible Support and Other Posted Support provided in the form of a Letter of Credit shall be subject to the following provisions:
- (1) Unless otherwise agreed in writing by the parties, each Letter of Credit shall be provided in accordance with the provisions of this Annex, and each Letter of Credit shall be maintained for the benefit of the Secured Party. The Pledgor shall (i) renew or cause the renewal of each outstanding Letter of Credit on a timely basis as provided in the relevant Letter of Credit, (ii) if the bank that issued an outstanding Letter of Credit has indicated its intent not to renew such Letter of Credit, provide a substitute Letter of Credit at least twenty (20) Business Days prior to the expiration of the outstanding Letter of Credit, and (iii) if a bank issuing a Letter of Credit shall fail to honor the Secured Party's properly documented request to draw on an outstanding Letter of Credit, provide for the benefit of the Secured Party (x) a substitute Letter of Credit that is issued by a Qualified Institution, other than the bank failing to honor the outstanding Letter of Credit, or (y) Eligible Collateral, in each case within three (3) Business Days after the Pledgor receives notice of such refusal, provided that, as a result of the Pledgor's failure to perform in accordance with (i), (ii) or (iii) above, the Delivery Amount applicable to the Pledgor equals or exceeds the Pledgor's Minimum Transfer Amount.
 - (2) As one method of providing Eligible Credit Support, the Pledgor may increase the amount of an outstanding Letter of Credit or establish one or more additional Letters of Credit.

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- (3) If the Pledgor shall fail to renew, substitute, or sufficiently increase the amount of an outstanding Letter of Credit (as the case may be), or establish one or more additional Letters of Credit, or otherwise provide sufficient Eligible Credit Support and if the Delivery Amount applicable to the Pledgor equals or exceeds the Pledgor's Minimum Transfer Amount as a result of such failure, then the Secured Party may draw an amount equal to the entire, undrawn portion of any outstanding Letter of Credit upon submission to the bank issuing such Letter of Credit of one or more certificates specifying the amounts due and owing to the Secured Party in accordance with the specific requirements of the Letter of Credit. The Pledgor shall remain liable for any amounts due and owing to the Secured Party and remaining unpaid after the application of the amounts so drawn by the Secured Party. To the extent that the amount so drawn exceeds the amounts due and owing, the Secured Party shall remit the excess to the Pledgor pursuant to 3(b).
- (4) If a party's Credit Support Provider shall furnish a Letter of Credit hereunder, the amount otherwise required under such Letter of Credit may at the option of such Credit Support Provider be reduced by the amount of any Letter of Credit established by such party (but only for such time as such party's Letter of Credit shall be in effect). In the event a party shall be required to furnish a Letter of Credit hereunder, the amount otherwise required under such Letter of Credit may at the option of such party be reduced by the amount of any Letter of Credit established by such party's Credit Support Provider (but only for such time as such Credit Support Provider's Letter of Credit shall be in effect).
- (5) Upon the occurrence of a Letter of Credit Default, the Pledgor agrees to deliver a substitute Letter of Credit or Other Eligible Credit Support to the Secured Party in an amount at least equal to that of the Letter of Credit to be replaced on or before the third (3rd) Business Day after written demand by the Secured Party.
- (6) Notwithstanding Paragraph 10, in all cases, the costs and expenses (including but not limited to the reasonable costs, expenses, and external attorneys' fees of the Secured Party) of establishing, renewing, substituting, canceling, increasing and reducing the amount of (as the case may be) one or more Letters of Credit shall be borne by the Pledgor.

(k) Certain Rights and Remedies.

- (i) **"Secured Party's Rights and Remedies."** For purposes of paragraph 8(a)(ii), the Secured Party may draw on any outstanding Letter of Credit in an amount equal to any amounts payable by the Pledgor with respect to any Obligations.
- (ii) **"Pledgor's Rights and Remedies."** For purposes of Paragraph 8(b)(ii), (i) the Secured Party will be obligated immediately to Transfer any Letter of Credit to the Pledgor and (ii) the Pledgor may do any one or more of the following (x) to the extent that the Letter of Credit is not Transferred to the Pledgor as required pursuant to (i) above: Set-off amounts payable by the Pledgor with respect to any Obligations against any such Letter of Credit held by the Secured Party and to the extent its rights to Set-off are not exercised, withhold payment of any remaining amounts payable by the Pledgor with respect to any Obligations, up to the Value of any remaining Posted Collateral and the Value of any Letter of Credit held by the Secured Party, until any such Posted Collateral and such Letter of Credit is Transferred to the

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Pledgor; and (y) exercise rights and remedies available to the Pledgor under the terms of the Letter of Credit.

- (l) **Demands and Notices.** All demands, specifications, and notices under this Annex will be made pursuant to the Notices Section of this Agreement.
- (m) **Addresses for Transfers.** All transfers under this Annex will be made pursuant to the Account Section of this Agreement.
- (n) **Other Provisions.**

(i) **Additional Definitions.** As used in this Annex:

“**Credit Rating**” shall mean, with respect to a party or entity on any date of determination, the respective rating then assigned to its unsecured and senior, long-term debt or deposit obligations (not supported by third party credit enhancement) by S&P or Moody’s, or any other rating agency agreed by the Parties.

“**Letter of Credit**” shall mean an irrevocable, transferable, standby Letter of Credit, issued by a Qualified Institution, in a form which is acceptable to the Secured Party.

Comment: See comment below related to CoBank.

“**Letter of Credit Default**” shall mean with respect to an outstanding Letter of Credit, the occurrence of any of the following events: (i) the issuer of such Letter of Credit shall fail to maintain a Credit Rating of at least “A-” by S&P or “A3” by Moody’s, (ii) the issuer of the Letter of Credit shall fail to comply with or perform its obligations under such Letter of Credit if such failure shall be continuing after the lapse of any applicable grace period; (iii) the issuer of such Letter of Credit shall disaffirm, disclaim, repudiate or reject, in whole or in part, or challenge the validity of, such Letter of Credit; (iv) such Letter of Credit shall expire or terminate, or shall fail or cease to be in full force and effect at any time during the term of this Agreement; or (v) any event analogous to an event specified in Section 5(a)(vii) of this Agreement shall occur with respect to the issuer of such Letter of Credit; *provided, however*, that no Letter of Credit Default shall occur in any event with respect to a Letter of Credit after the time such Letter of Credit is required to be canceled or returned to the Pledgor in accordance with the terms of this Annex.

“**Qualified Institution**” shall mean the office of a major commercial bank, as defined in either the Bank Act (Canada) or the Federal Deposit Insurance Act (United States), operating from an office in either the continental United States or Canada, acceptable to the party to whose benefit the Letter of Credit is issued, having assets of at least \$10 Billion and a long term debt rating or deposit rating of at least (i) A3 from Moody’s and (ii) A- from S&P.

Comment: Note that the issuing bank must have a credit rating. MEMA public power members who bank with CoBank should note this, CoBank is not a rated institution and may want to amend this to specify CoBank as a qualified institution.

“**Moody’s**” shall mean Moody’s Investor Services, Inc., or its successor.

“**S&P**” shall mean the Standard & Poor’s Rating Group (a division of McGraw-Hill, Inc.) or its successor.

(ii) Paragraph 7(i) shall be amended by adding the following to the end of the paragraph:

“provided, however, that any failure to Transfer Eligible Collateral or Posted Collateral that results solely from: (1) wire transfer difficulties; (2) an administrative or operational error or omission (so long as sufficient funds are demonstrably available to the relevant party on the relevant date) shall not constitute an Event of Default but only if

MEMA ISDA Credit Support Annex Schedule (Paragraph 13) Template

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2. Information show below is provided to MEMA membership as a suggested starting point. MEMA cannot guarantee the accuracy or appropriateness of any selection, note or comment shown in this template.
3. In using this template, MEMA members agree to consult their own legal and other advisors prior to their use of this template or any information it contains.
4. This Schedule template assumes that the Credit Support Annex will be included in the Agreement.
5. If one party is a US municipal or other governmental entity, more appropriate Schedules, or additional Schedule provisions, may be found on the ISDA website.

the Transfer is made not later than the first Local Business Day after such transfer difficulties, or error or omission has been discovered”

(iii) **Taxes in Connection with Amounts Paid Under the Credit Support Annex.** Notwithstanding anything to the contrary in this Agreement, neither party makes any Payer Tax Representations referred to in Section 3(e) of this Agreement with respect to any Interest Amount it is required to Transfer under this Annex, and neither party will be entitled to designate an Early Termination Date on the grounds of any Tax Event resulting from the party’s obligation to pay additional amounts in respect of Indemnifiable Taxes imposed with respect to any such Interest Amount, Distributions, or late payment fees.

IN WITNESS WHEREOF the parties have executed this document as of the date first above written.

PARTY A:

PARTY B:

By: _____
Name:
Title:

By: _____
Name:
Title: