VAN EPPS COMMUNITY SOLAR

DECOMMISSIONING STATEMENT

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1. INTRODUCTION

Van Epps Solar, LLC (the "Applicant"), a New York limited liability company, hereby submits this plan for the eventual decommissioning of the proposed 5 MWAC/7.5 MWDC community solar electric generation facility located at 677 Van Epps Rd, Fultonville, NY in the Town of Glen (the "Town") within Montgomery County in New York State (the "Project") and the establishment of a decommissioning fund (the "Decommissioning Fund") for review before the Planning Board of the Town.

A site location plan is provided at Appendix 1 for reference.

2. DECOMMISSIONING PLAN

The Project is anticipated to operate for 40 years. At the time the Projects ceases to operate, Applicant will perform decommissioning which shall include removal of all energy facilities, structures and equipment including any subsurface wires and footings from the parcel. Any access roads created for building or maintaining the system shall also be removed and re-planted with vegetation. The solar panels and all other equipment removed from the project site, unless being reused or repurposed for another project, shall be recycled in accordance with all applicable New York State policies and procedures in effect at the time of decommissioning.

Further, decommissioning will include restoring the property to its pre-installed condition, including grading and vegetative stabilization to eliminate any negative impacts to surrounding properties. Specifically, such decommissioning shall include, but is not limited to, physical removal of all ground-mounted solar collectors, structures, equipment, security barriers and transmission lines from the site.

3. COST OF DECOMMISSIONING

The fully inclusive cost to decommission the Project, as defined in Section 2 herein, is estimated at $211,381 (the "Estimated Decommissioning Cost"), as detailed in Appendix 2.

The Estimated Decommissioning Cost shall be adjusted annually to account for inflation, based upon the current Consumer Price Index ("CPI") as maintained by the Bureau of Labor Statistics (the "Revised Estimated Decommissioning Cost").

4. ESTABLISHMENT OF DECOMMISSIONING FUND

The Decommissioning Fund will be funded with either (i) a surety bond (the "Bond") or (ii) an irrevocable standby Letter of Credit (the "LC") or (iii) another appropriate financial security that is solely for the benefit of the Town. A draft LC form is attached to this Plan as Appendix 4. The LC or other Board-approved financial security, shall be in place and filed with the Board prior to commencement of construction.

No other entity, including Applicant, shall have the ability to demand payment under the Bond (or other appropriate financial security). A Board-approved financial security shall be in place and filed with the Board prior to commencement of construction.

At the end of the Project's useful life, and in the event Applicant does not seek Board approval to repower the Project, Applicant will decommission the Project. Upon completion of decommissioning, Applicant shall seek a certification of completion from the Board. The certification will be provided to the issuing bank with instructions to terminate the Bond (or another appropriate financial security).

The Board shall have the right to draw on the Bond (or other appropriate financial security) to pay the costs of decommissioning in the event that Applicant (or its successor) is unable or unwilling to commence decommissioning due to dissolution, bankruptcy, or otherwise. Prior to the Board drawing on the Bond (or other appropriate financial security), Applicant shall have a reasonable period of time to commence decommissioning, not to exceed ninety days following issuance of a Board order requiring decommissioning of the Project.

5. DEMOLITION INSTRUCTIONS

The following list is the sequential procedure that should be followed by the Town for removal of the system pursuant to this plan:

a. Project Component Removal

All control cabinets, electronic components, and internal cables will be removed along with the panels, racks, and inverters. These components will be lowered to the ground where they will be transported whole for reconditioning and reuse, or disassembled/cut into more easily transportable sections for salvageable, recyclable, or disposable components.

b. PV Module Removal

The Project's solar photovoltaic panels are manufactured according to the regulatory toxicity requirements based on the Toxicity Characteristic Leaching Procedure (TCLP). Under these regulations, solar panels are not considered hazardous waste. The panels used in the Project will contain:

Glass	75%
Polymers	10%
Aluminum	8%
Silicon	5%
Copper	1%
Silver	1%

All which have recycling or resale value. Modules will be dismantled and packaged per manufacturer, approved recyclers or resellers specifications and shipped to an approved off-site solar panel recycler.

It is important to recognize that solar panels have a minimum 10 year product warranty and a minimum 25 year performance guarantee. Those warranties have a direct impact on the panels' salvage value. The earlier the decommissioning event the higher salvage value.

International Renewable Energy Agency (IRENA) and the International Energy Agency's Photovoltaic Power Systems Programme (IEA-PVPS) published a detailed report titled, "The End-of-Life Management: Solar Photovoltaic Panels" that projects the PV panel waste volumes to 2050 and highlights that recycling or repurposing of solar PV panels at the end of a 30-year lifetime will unlock a large stock of raw materials and valuable components. The report estimates that PV panel waste, comprised could total 78 million tonnes globally by 2050. The value of the recovered material could exceed $15 billion by 2050. This potential material influx could produce 2 billion new panels or be sold into global commodity markets.

Below is a short list of American companies that already operate in the solar panel recycling or repurposing market.

http://www.tekovery.com/
http://www.morgenindustries.com/index.html
https://echoenvironmental.com/solar-panel-recycling/
http://www.glrnow.com/
http://www.intercotradingco.com/usa-solar-panel-recycling/
https://silrec.com/
http://www.solarsilicon.com/

c. Electric Wire Removal

The copper and aluminum electric wires have a value for recycling. The DC wiring can be removed manually from the panels to the inverter. Underground wire in the project will be pulled and removed from the ground. Overhead cabling for the interconnection will be removed from poles. All wire will be sent to an approved recycling facility.

d. Racking and Fencing removal

All racking and fencing material like posts that were driven into the ground will be pulled, broken down into manageable units, removed from the facility and sent to an approved recycler.

e. Concrete Slab Removal

Concrete slabs used as equipment pads will be broken and removed to a depth of two feet below grade. Clean concrete will be crushed and disposed of off-site and/or recycled and reused either on or off-site. The excavation will be filled with subgrade material of quality and compacted density comparable to the surrounding area.

f. Access Road

The last structure to be removed is the access roads. They will be stripped exposing the geotextile beneath. The geotextile will then be removed and disposed of revealing the original soil surface. The compacted soil beneath the road fill might require ripping with a subsoiler plow to loosen it before it can be returned to crop production. Some of the access road might be retained by the landowner as it will be an improvement for their farm access.

g. Site Restoration Process

The site consists of +/- 43.81 acres of agricultural land. Following the decommissioning activities, the sub-grade material, and topsoil from affected areas will be de-compacted and restored to a density and depth consistent with the surrounding areas. All unexcavated areas compacted by equipment used in decommissioning shall be de-compacted in a manner to adequately restore the topsoil and sub-grade material to the proper density consistent and compatible with the surrounding area.

If the subsequent use for the Project site will involve agriculture, a deep till of the project site will be undertaken. The affected areas will be inspected, thoroughly cleaned, and all construction-related debris removed. Disturbed areas will be reseeded to promote the re-vegetation of the area unless the area is to be immediately redeveloped. In all areas restoration shall include, as reasonably required, leveling, terracing, mulching, and other necessary steps to prevent soil erosion, to ensure the establishment of suitable grasses and forbs, and to control noxious weeds and pests. The future use of the land for agricultural purposes would not be prejudiced.

Appendix 1: Site Location Plan

Property Boundary

NOT TO SCALE

Site Location Map
Van Epps Solar
Town of Glen

Source: Google Earth 2018

Montgomery County, NY

September 19, 2019

Figure: 1

Appendix 2

Breakdown of Decommissioning Costs

Applicant submits this breakdown of the Estimated Decommissioning Cost to support the proposed decommissioning fund of $211,381 for the project based on 2019 cost of work estimates following the NYSERDA guidance which is based on the estimating practices followed by the State of Massauchettes and New York Southeast scrap value prices

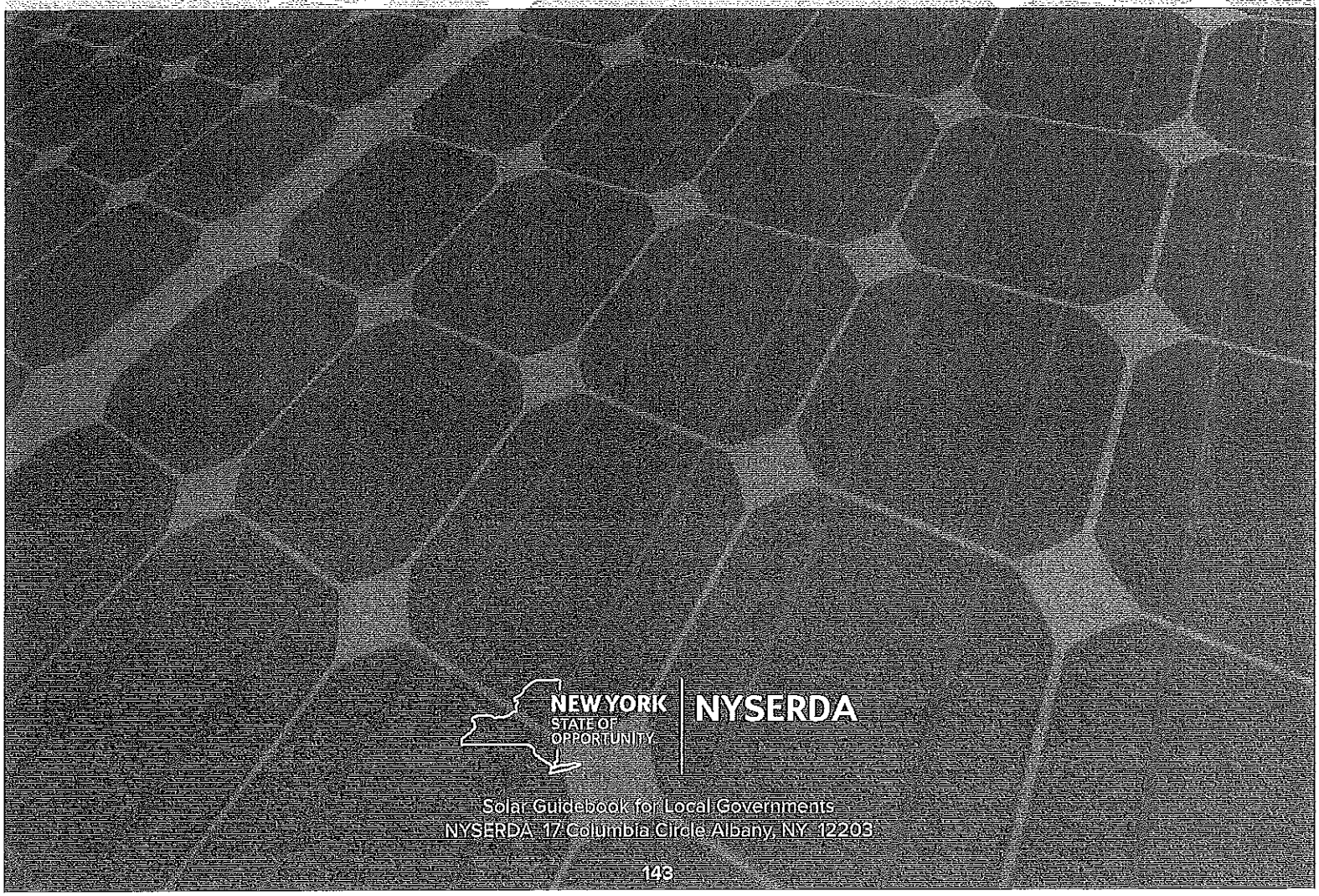
It should be further noted that while the Decommissioning Fund is established in the amount equal to the gross decommissioning costs of $211,381.00, there will likely be significant salvage value that would make the net system decommissioning cost lower than the proposed Decommissioning Fund amount.

To better explain the potential salvage value for this project we have completed a more detailed analysis of the current value of the main project components: solar panels, racking system aluminum/steel content and the electric cabling copper/aluminum content. The current published values for these materials can have a fairly large spread. For each item we choose to use the most conservative pricing available to assume current worst case scenario. As you can see from the summary analysis the current salvage value is 3 times higher than the proposed decommissioning cost.

Estimated Decommissioning Cost				
	Type	Quantity	Cost Per Item	Total
Fence Removal with Gate and CCTV	LF	7,618	$4.50	$34,281.00
Remove Transformers & Concrete Pads	Each	2	$5,000.00	$10,000.00
Remove Major Switch Gear & Concrete Pad	Each	1	$5,000.00	$5,000.00
Remove Modules and Racking	$/MWac	5	$9,000.00	$45,000.00
Removal of Posts	Each	1,975	$20.00	$39,500.00
Remove & Dispose String Inverters, Storage and DC Converters	Each	60	$300.00	$18,000.00
Removal of Underground Wires and Backfill	LF	3,500	$10.00	$35,000.00
Site Restoration, Grade and Seed	Acre	10	$900.00	$9,000.00
Removal of Gravel Access Road	Cubic Yards	624	$25.00	$15,600.00
Current Total:				$211,381.00
Total after 25 years of inflation (2.5% inflation rate)				$346,372.38
Detailed Salvage Value	Solar Panels	45,455	$6.60	$300,003.00
	Racking Steel (lbs)	1,168,100.00	$0.05	$58,405.00
	Racking Aluminum (lbs)	1,760,000.00	$0.15	$264,000.00
	Project Cabling (lbs)	75,931.00	$0.73	$55,429.63
Total Salvage Value				$677,837.63
Proposed decommissioning fund				$211,381.00

Decommissing Solar Panel Systems

Information for local governments and landowners on the decommissioning of large-scale solar panel systems.



NEW YORK STATE OF OPPORTUNITY. | NYSERDA

Section Contents

Overview

We provide information for local governments and landowners on the decommissioning of large-scale solar panel systems through the topics of decommissioning plans and costs and financial and non-financial mechanisms in land-lease agreements.

As local governments develop solar regulations and landowners negotiate land leases, it is important to understand the options for decommissioning solar panel systems and restoring project sites to their original status.

From a land use perspective, solar panel systems are generally considered large-scale when they constitute the primary use of the land and can range from less than one acre in urban areas to 10 or more acres in rural areas. Depending on where they are sited, large-scale solar projects can have habitat, farmland, and aesthetic impacts. As a result, large-scale systems must often adhere to specific development standards.

1. Abandonment and Decommissioning

Abandonment occurs when a solar array is inactive for a certain period of time.

- Abandonment requires that solar panel systems be removed after a specified period of time if they are no longer in use. Local governments establish timeframes for the removal of abandoned systems based on aesthetics, system size and complexity, and location. For example, the Town of Geneva, NY, defines a solar panel system as abandoned if construction has not started within 18 months of site plan approval, or if the completed system has been nonoperational for more than one year.[22]
- Once a local government determines a solar panel system is abandoned and has provided thirty (30) days prior written notice to the owner it can take enforcement actions, including imposing civil penalties/fines, and removing the system and imposing a lien on the property to recover associated costs.

Decommissioning is the process for removing an abandoned solar panel system and remediating the land.

- When describing requirements for decommissioning sites, it is possible to specifically require the removal of infrastructure, disposal of any components, and the stabilization and re-vegetation of the site.

1.1 Decommissioning Plans

Local governments may require having a plan in place to remove solar panel systems at the end of their lifecycle, which is typically 20-40 years. A decommissioning plan outlines required steps to remove the system, dispose of or recycle its components, and restore the land to its original state. Plans may also include an estimated cost schedule and a form of decommissioning security (see Table 1).

[22] Town of Geneva, N.Y. CODE § 130-4(D)(5) (2016).

1.2 Estimated Cost of Decommissioning

Given the potential costs of decommissioning and land reclamation, it is reasonable for landowners and local governments to proactively consider system removal guarantees. A licensed professional engineer, preferably with solar development experience, can estimate decommissioning costs, which vary across the United States. Decommissioning costs will vary depending upon project size, location, and complexity. Table 1 provides an estimate of potential decommissioning costs for a ground-mounted 2-MW solar panel system. Figures are based on estimates from the Massachusetts solar market. Decommissioning costs for a New York solar installation may differ. Some materials from solar installations may be recycled, reused, or even sold resulting in no costs or compensation. Consider allowing a periodic reevaluation of decommissioning costs during the project's lifetime by a licensed professional engineer, as costs could decrease, and the required payment should be reduced accordingly.

Table 1: Sample list of decommissioning tasks and estimated costs

Tasks	Estimated Cost ($)
Remove Rack Wiring	$2,459
Remove Panels	$2,450
Dismantle Racks	$12,350
Remove Electrical Equipment	$1,850
Breakup and Remove Concrete Pads or Ballasts	$1,500
Remove Racks	$7,800
Remove Cable	$6,500
Remove Ground Screws and Power Poles	$13,850
Remove Fence	$4,950
Grading	$4,000
Seed Disturbed Areas	$250
Truck to Recycling Center	$2,250
Current Total	**$60,200**
Total After 20 Years (2.5% inflation rate)	**$98,900**

2. Ensuring Decommissioning

Landowners and local governments can ensure appropriate decommissioning and reclamation by using financial and regulatory mechanisms. However, these mechanisms come with tradeoffs. Including decommissioning costs in the upfront price of solar projects increases overall project costs, which could discourage solar development. As a result, solar developers are sometimes hesitant to provide or require financial surety for decommissioning costs.

It is also important to note that many local governments choose to require a financial mechanism for decommissioning. Although similar to telecommunications installations, there is no specific authority to do so as part of a land use approval for solar projects (see Table 2). Therefore, a local government should consult their municipal attorney when evaluating financial mechanisms.

The various financial and regulatory mechanisms to decommission projects are detailed below.

Table 2: Relevant Provisions of General City, Town, and Village Laws Relating to Municipal Authority to Require Conditions, Waivers, and Financial Mechanisms

Site Plan Review	General City Law	Town Law	Village
Conditions	27-a (4)	274-a (4)	7-725-a (4)
Waivers	27-a (5)	274-a (5)	7-725-a (5)
Performance bond or other security	27-a (7)	274-a (7)	7-725-a (7)
Subdivision	**General City Law**	**Town Law**	**Village Law**
Waivers	33 (7)	277 (7)	7-730 (7)
Performance bond or other security	33 (8)	277 (9)	7-730 (9)
Special	**General City Law**	**Town Law**	**Village Law**
Conditions	27-b (4)	274-b (4)	7-725-b (4)
Waivers	27-b (5)	274-b (5)	7-725-b (5

Source: Referenced citations may be viewed using the NYS Laws of New York Online

Excerpts from these statutes are also contained within the "Guide to Planning and Zoning Laws of New York State," New York State Division of Local Governments Services, June 2011: https://www.dos.ny.gov/lg/publications/Guide_to_planning_and_zoning_laws.pdf

2.1 Financial mechanisms

Decommissioning Provisions in Land-Lease Agreements. If a decommission plan is required, public or private landowners should make sure a decommissioning clause is included in the land-lease agreement. This clause may depend on the decommissioning preferences of the landowner and the developer. The clause could require the solar project developer to remove all equipment and restore the land to its original condition after the end of the contract, or after generation drops below a certain level, or it could offer an option for the landowner to buy-out and continue to use the equipment to generate electricity. The decommissioning clause should also address abandonment and the possible failure of the developer to comply with the decommissioning plan. This clause could allow for the landowner to pay for removal of the system or pass the costs to the developer.

Decommissioning Trusts or Escrow Accounts. Solar developers can establish a cash account or trust fund for decommissioning purposes. The developer makes a series of payments during the project's lifecycle until the fund reaches the estimated cost of decommissioning. Landowners or third-party financial institutions can manage these accounts. Terms on individual payment amounts and frequency can be included in the land lease.

Removal or Surety Bonds. Solar developers can provide decommissioning security in the form of bonds to guarantee the availability of funds for system removal. The bond amount equals the decommissioning and reclamation costs for the entire system. The bond must remain valid until the decommissioning obligations have been met. Therefore, the bond must be renewed or replaced if necessary to account for any changes in the total decommissioning cost.

Letters of credit. A letter of credit is a document issued by a bank that assures landowners a payment up to a specified amount, given that certain conditions have been met. In the case that the project developer fails to remove the system, the landowner can claim the specified amount to cover decommissioning costs. A letter of credit should clearly state the conditions for payment, supporting documentation landowners must provide, and an expiration date. The document must be continuously renewed or replaced to remain effective until obligations under the decommissioning plan are met.

2.2 Nonfinancial mechanisms

Local governments can establish nonfinancial decommissioning requirements as part of the law. Provisions for decommissioning large-scale solar panel systems are similar to those regulating telecommunications installations, such as cellular towers and antennas. The following options may be used separately or together.

- **Abandonment and Removal Clause.** Local governments can include in their zoning code an abandonment and removal clause for solar panel systems. These cases effectively become zoning enforcement matters where project owners can be mandated to remove the equipment via the imposition of civil penalties and fines, and/or by imposing a lien on the property to recover the associated costs. To be most effective, these regulations should be very specific about the length of time that constitutes abandonment. Establishing a timeframe for the removal of a solar panel system can be based on system aesthetics, size, location, and complexity. Local governments should include a high degree of specificity when defining "removal" to avoid ambiguity and potential conflicts
- **Special Permit Application.** A local government may also mandate through its zoning code that a decommissioning plan be submitted by the solar developer as part of a site plan or special permit application. Having such a plan in place allows the local government, in cases of noncompliance, to place a lien on the property to pay for the costs of removal and remediation.
- **Temporary Variance/Special Permit Process.** As an alternative to requiring a financial mechanism as part of a land use approval, local governments could employ a temporary variance/special permit process (effectively a re- licensing system). Under this system, the locality would issue a special permit or variance for the facility for a term of 20 or more years; once expired (and if not renewed), the site would no longer be in compliance with local zoning, and the locality could then use their regular zoning enforcement authority to require the removal of the facility.

2.3 Examples of abandonment and decommissioning provisions

The New York State Model Solar Energy Law provides model language for abandonment and decommissioning provisions in the Model Law section of this Guidebook.

The following provide further examples that are intended to be illustrative and do not confer an endorsement of content:

- Town of Geneva, N.Y., § 130-4(D): ecode360 .com/28823382
- Town of Olean, N.Y., § 10.25.5: https://www.cityofolean.org/council/minutes/ccmin2015-04-14.pdf

2.4 Checklist for Decommissioning Plans

The following items are often addressed in decommissioning plans requirements:

- Defined conditions upon which decommissioning will be initiated (i.e., end of land lease, no operation for 12 months, prior written notice to facility owner, etc.).
- Removal of all nonutility owned equipment, conduit, structures, fencing, roads, and foundations.
- Restoration of property to condition prior to solar development.
- The timeframe for completion of decommissioning activities.
- Description of any agreement (e.g., lease) with landowner regarding decommissioning.
- The party responsible for decommissioning.
- Plans for updating the decommissioning plan.
- Before final electrical inspection, provide evidence that the decommissioning plan was recorded with the Register of Deeds.

Questions?

If you have any questions regarding the decommissioning of solar panels, please email questions to cleanenergyhelp@nyserda.ny.gov or request free technical assistance at nyserda.ny.gov/SolarGuidebook. The NYSERDA team looks forward to partnering with communities across the state to help them meet their solar energy goals.

Appendix 4

IRREVOCABLE STANDBY LETTER OF CREDIT

DATE:

Applicant:

_____

_____

_____

Beneficiary:

Town of Glen
7 Erie St,
Fultonville, NY 12072

Dear Sir or Madam:

By order of _____("Applicant"), we, [**insert name of issuing bank**] ("Issuing Bank"), have established this irrevocable Standby Letter of Credit (this "Letter of Credit") in favor of the Town of Glen ("Beneficiary"), , for an aggregate amount of up to $_____, (as reduced pursuant to this Letter of Credit, the "Maximum Stated Amount") effective **[insert initial date of this Letter of Credit]** and expiring **[insert date which is 364 days after the initial date of this Letter of Credit]** as may be extended in accordance with the terms hereof (the "Expiration Date"). We are informed by the Applicant that this Letter of Credit is provided in connection with the Payment in Lieu of Taxes Agreement (the "Agreement"), dated **[insert date of agreement]**, as amended from time to time, by and between Beneficiary and Applicant and is for the benefit of the Town of Glen.

The Maximum Stated Amount at the time of any drawing hereunder shall be immediately and permanently reduced by the amount of such drawing and otherwise as set forth herein.

Funds hereunder are available to Beneficiary, providing all terms and conditions of this Letter of Credit are strictly complied against Beneficiary's sight draft drawn on Issuing Bank in the form of **Annex A** and when accompanied by Beneficiary's statement purportedly signed by Beneficiary and reading as follows:

Either:

"An Event of Default under Section 6(a)(1) of the Agreement with respect to Applicant's due but unpaid PILOT Payments (as defined in the Agreement) has occurred, and the amount that Beneficiary is drawing under this Letter of Credit is due and owing by Applicant to Beneficiary as a result of such Event of Default. A copy of the unpaid PILOT Payment invoice is attached to the sight draft."

Or

"The Letter of Credit Number_____ is set to expire on _____, 20__ (the "Expiration Date"). Beneficiary has received notice from Issuing Bank that this Letter of Credit will not be extended by Issuing Bank. Applicant is required to maintain a letter of credit securing Applicant's obligation to make PILOT Payments (as defined in the Agreement) under Section 3(o) of the Agreement ("Payment Security") and has failed to provide Beneficiary with alternative Payment Security at least thirty (30) calendar days prior to the Expiration Date, and as of the date of this drawing, has not provided Beneficiary with such Payment Security. As a result of the foregoing, Beneficiary is entitled to draw the Maximum Stated Amount of the Letter of Credit."

Issuing Bank hereby undertakes to honor Beneficiary's sight drafts drawn on Issuing Bank in accordance with this Letter of Credit by the date and time specified below, indicating the Letter of Credit number **[insert Letter of Credit number]**, if presented to Issuing Bank on a Business Day occurring on or before the applicable expiration date for an aggregate amount not to exceed the Maximum Stated Amount.

Any drawings under this Letter of Credit shall be presented to Issuing Bank at its counters by personal presentation, courier or messenger service. In addition, drawings may also be presented by fax transmission to [**Insert Issuing Bank fax number**] or such other fax number identified by Issuing Bank in a written notice to Beneficiary. To the extent a drawing is presented by fax transmission, Beneficiary must (i) provide telephone notification to Issuing Bank at [**Insert Issuing Bank telephone number**] prior to or simultaneously with the sending of such fax transmission and (ii) send the original of such drawing to Issuing Bank by overnight courier at [**Insert Issuing Bank address**], however such original drawing documents will not be examined by us nor form part of the drawing. If a drawing is presented in compliance with the terms of this Letter of Credit to Issuing Bank at such address or fax number by 11:00 a.m., New York City Time, on any Business Day, payment will be made not later than the close of business, New York City Time, on the next Business Day and if such drawing is so presented to Issuing Bank after 11:00 a.m., New York City Time, on any Business Day, payment will be made on the second Business Day no later than the close of business, New York City Time.

If a demand for payment made hereunder does not conform to the terms and conditions of this Letter of Credit, Issuing Bank shall give Beneficiary notice in writing (or by telephone confirmed in writing) that Beneficiary's demand for payment was not effected in accordance with the terms and conditions of this Letter of Credit, stating the reasons therefore and that Issuing Bank will upon Beneficiary's instructions hold any documents at Beneficiary's written direction or return the same to Beneficiary. Upon being notified that the demand for payment was not effected in conformity with this Letter of Credit, Beneficiary may correct any such non-conforming demand if, and to the extent that Beneficiary is entitled and able to do so on or before the Expiration Date, but in no event shall the Expiration Date of this Letter of Credit be extended.

Issuing Bank has no duty or right to inquire into the validity of, or the basis for, any draw.

This Letter of Credit shall permit multiple partial drawings.

As used herein, "Business Day" means any day on which (A) commercial banks are not closed, or authorized or required to close, in New York City or (B) with respect to a certain drawing request, the bank to which funds are requested to be transferred hereunder as set forth in such drawing request is not closed, or authorized or required to close, and may receive such funds by wire transfer as requested hereunder.

Should Beneficiary have occasion to communicate with Issuing Bank regarding this Letter of Credit, kindly direct the communication to the attention of **[insert Issuing Bank address/department]** mentioning the Letter of Credit number **[insert letter of credit number]**.

This Letter of Credit, together with sight drafts submitted in accordance with the terms hereof, sets forth in full the terms of our undertaking and this undertaking shall not in any way be modified, amended, limited or amplified by reference to any document, instrument or agreement referred to herein, and any document, instrument or agreement referred to herein, and any such reference shall not be deemed to incorporate herein by reference any document or agreement.

Except as far as otherwise expressly stated herein this Letter of Credit is subject to the International Standby Practices (ISP98), International Chamber of Commerce Publication No. 590'(the "ISP"), and as to matters not governed by the ISP, shall be construed in accordance with the laws of the state of New York without regard to principles of conflicts of law that may result in the application of the laws of another jurisdiction.

As allowed by law, any payments hereunder shall be made free and clear of, and without deduction or set off for or on account of any present or future taxes, duties, charges, fees, deduction or withholding of any nature and by whomever imposed.

The Expiration Date of this Letter of Credit will be automatically extended without amendment for a period of one (1) year from the Expiration Date, or any future Expiration Date, unless at least sixty (60) days prior to the then current Expiration Date Issuing Bank sends notice to Beneficiary by overnight courier at Beneficiary's address shown above, that Issuing Bank elects not to extend the Expiration Date of this Letter of Credit for any such additional period.

ISSUING BANK

Authorized Signature

ANNEX A

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER _____

Date _____

Sight Draft

Pay to the order of the Town of Glen the amount of $_____ drawn under [**Name of issuing bank**] Irrevocable Standby Letter of Credit Number _____ dated _____, 20__. A copy of the unpaid PILOT Payment invoice is attached hereto [**For a payment default**].

[INSERT BENEFICIARY PAYMENT INSTRUCTIONS]

Town of Glen

By: _____
Name: _____
Title: _____

cc: