

Wisconsin BEAD Program Model Letter of Credit

[Name and Address of Issuing Bank]

[Date of issuance]

[amount]

[Letter of Credit No.]

BENEFICIARY

Public Service Commission of Wisconsin
North Tower, 6th Floor
Hill Farms State Office Building
4822 Madison Yards Way
Madison, WI 53705
PSCBEADGrants@wisconsin.gov

LETTER OF CREDIT ISSUER

[Legal Name of Applicant]

[Address]

We hereby establish, at the request and for the account of [Legal Name of Applicant], in the favor of the Public Service Commission of Wisconsin (Commission or Beneficiary), as required under the Broadband Equity, Access, and Deployment Program (BEAD) Notice of Funding Opportunity, issued by the National Telecommunications and Information Administration (NTIA) of the U.S. Department of Commerce (DOC) on May 12, 2022, and the State of Wisconsin’s Initial Proposal Volume 2 approved by the NTIA, our Irrevocable Standby Letter of Credit No. _____, in the amount of [State amount of Letter of Credit in words and figures], effective as of the date first set forth above expiring at the close of banking business at our office described in the following paragraph, on the date [EXPIRATION DATE] which is six years from the date of issuance or any automatically extended stated expiration date or at such earlier date if the Letter of Credit is terminated by the Commission. It is a condition of this Letter of Credit that the stated expiration date shall be automatically extended without amendment, for successive periods of one year each from the stated expiration date hereof or any such automatically extended stated expiration date unless, no less than 60 days before any such stated expiration date, Issuer sends Beneficiary notice stating that this Letter of Credit will not be extended beyond the then current expiration date. Any such notice of non-extension shall be in writing, shall be sent by email and certified mail (return receipt requested), and shall be addressed to the Beneficiary at the address set forth above.

Funds under this Letter of Credit are available to the Beneficiary against your draft in the form attached hereto as Annex A, drawn on our office described below, and referring thereon to the number of this Letter of Credit, accompanied by your written and completed certificate signed by you substantially in the form of Annex B attached hereto. Such draft and certificates shall be dated the date of presentation or an earlier date, which presentation shall be made at our office located at [BANK ADDRESS] and shall be affected either by personal delivery, United States Postal Service or delivery by a nationally recognized overnight delivery service. We hereby commit and agree to accept such presentation at such office, and if such presentation of documents appears on its face to comply with the terms and conditions of this Letter of Credit, on or prior to the Expiration Date, we will honor the same not later than the first banking day after presentation thereof in accordance with your payment instructions. Payment under this Letter of Credit shall be made by [check/wire transfer of funds] to the payee and for the account you designate, in accordance with the instructions set forth in a draft presented in connection with a draw under this Letter of Credit.

Partial drawings are not permitted under this Letter of Credit. This Letter of Credit is not transferable or assignable in whole or in part.

This Letter of Credit shall be canceled and terminated upon receipt by us of the Wisconsin Public Service Commission certificate purportedly signed by two authorized representatives of the Wisconsin Public Service Commission in the form attached as Annex C.

This Letter of Credit sets forth in full the undertaking of the Issuer, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except only the certificates and the drafts referred to herein and the ISP (as defined below); and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificates and such drafts and the ISP.

This Letter of Credit shall be subject to, governed by, and construed in accordance with, the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP"), which is incorporated into the text of this Letter of Credit by this reference, and, to the extent not inconsistent therewith, the laws of the State of Wisconsin, including the Uniform Commercial Code as in effect in the Wisconsin. Communications with respect to this Letter of Credit shall be addressed to us at the address set forth below, specifically referring to the number of this Letter of Credit.

[NAME OF BANK]

[BANK SIGNEE NAME AND POSITION]

[BANK SIGNATURE]

ANNEX A
Form of Draft

To: [Issuing bank /credit union]

DRAWN ON LETTER OF CREDIT No: _____

AT SIGHT

PAY TO THE ORDER OF THE PUBLIC SERVICE COMMISSION OF WISCONSIN
BY [CHECK/WIRE TRANSFER]

FUNDS TO: _____

Account (_____)

AS [WISCONSIN BEAD PROGRAM REPAYMENT]

[AMOUNT IN WORDS] DOLLARS AND NO/CENTS

[\$AMOUNT IN NUMBERS]

Wisconsin Public Service Commission

By: _____

Name: _____

Title: _____

Annex B

Draw Certificate

The undersigned hereby certifies to [Name of Bank or Credit Union] (the “Bank”), with reference to (a) Irrevocable Standby Letter of Credit No. [Number] (the “Letter of Credit”) issued by the Bank in favor of the Public Service Commission of Wisconsin (“PSC WI”) and (b) Section IV.D.2.a.ii of the Broadband Equity, Access, and Deployment (BEAD) Program Notice of Funding Opportunity, issued by the National Telecommunications and Information Administration (NTIA) of the U.S. Department of Commerce (DOC) on May 12, 2022, and the Public Service Commission of Wisconsin’s Initial Proposal Volume 2 approved by the NTIA (the BEAD Program Requirements), pursuant to which [Legal Name of Selected Subgrantee] (the “Provider”) has provided the Letter of Credit (all capitalized terms used herein but not defined herein having the meaning stated in the BEAD Program Requirements), that:

[The [Name of Selected Subgrantee] has [describe the event that triggers the draw] and is evidenced by a letter signed by the Commission Chair or their designee, dated _____, 20____, a true copy of which is attached hereto.] Accordingly, a draw of the entire amount of the Letter of Credit No. _____ is authorized.]

OR

[The PSC WI certifies that given notice of non-renewal of Letter of Credit No. _____ and failure of the account party to obtain a satisfactory replacement thereof, pursuant to the BEAD Program Requirements, the WI PSC is entitled to receive payment of \$ _____ representing the entire amount of Letter of Credit No. _____.]

IN WITNESS WHEREOF, the undersigned has executed this certificate as of [specify time of day] on the ____ day of _____, 20__.

Public Service Commission of Wisconsin

By: _____

Name: _____

Title: _____

Annex C

Certificate Regarding Termination of Letter of Credit

The undersigned hereby certifies to [Name of Bank] (the “Bank”), with reference to (a) Irrevocable Standby Letter of Credit No. [Number] (the “Letter of Credit”) issued by the Bank in favor of the Public Service Commission of Wisconsin, and (b) the requirements established in the Broadband Equity, Access, and Deployment (BEAD) Program Notice of Funding Opportunity, issued by the National Telecommunications and Information Administration (NTIA) of the U.S. Department of Commerce (DOC) on May 12, 2022, and the Public Service Commission of Wisconsin’s Initial Proposal Volume 2 approved by the NTIA (the BEAD Program Requirements), (all capitalized terms used herein but not defined herein having the meaning stated or described in the BEAD Program Requirements), that:

(1) [include one of the following clauses, as applicable]

- (a) The BEAD Program Requirements have been fulfilled in accordance with the provisions thereof; or
- (b) [Provider/Selected Subgrantee] has provided a replacement letter of credit satisfactory to the Public Service Commission of Wisconsin; or
- (c) [Provider/Selected Subgrantee] has withdrawn from the project, the Commission has accepted their withdrawal, and no funds are owed to the Commission.; or
- (d) The Commission has exercised its authority per the Grant Agreement to terminate the award and no funds are owed to the Commission.

(2) By reason of the event or circumstance described in paragraph (1) of this certificate and effective upon the receipt by the Bank of this certificate (countersigned as set forth below), the Letter of Credit is terminated.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of [specify time of day] on the ____ day of _____, 20__.

Public Service Commission of Wisconsin

By: _____

Name: _____

Title: _____