



Control Number: 37919



Item Number: 32

Addendum StartPage: 0

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PUBLIC UTILITY COMMISSION
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DATE OF ISSUE:
26APR2010

IRREVOCABLE DOCUMENTARY CREDIT NO.:

SDCMTN557575

BENEFICIARY:

PUBLIC UTILITY COMMISSION OF TEXAS
1701 N. CONGRESS AVE
PO BOX 13326
AUSTIN, TX 78711-3326

APPLICANT:

GATEWAY ENERGY SERVICES CORP.
D/B/A GATEWAY POWER SERVICES
400 RELLA BLVD. SUITE 300
MONTEBELLO, NY 10901

ADVISING BANK:

AMOUNT: USD 500,000.00

USD FIVE HUNDRED THOUSAND.00 ONLY

DATE AND PLACE OF EXPIRY:

26APR2011

AT COUNTER OF ISSUING BANK

WE HEREBY ESTABLISH IN THE FAVOR OF THE PUBLIC UTILITY COMMISSION OF TEXAS, EFFECTIVE IMMEDIATELY, OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO. SDCMTN557575 ('LETTER OF CREDIT') FOR THE ACCOUNT OF GATEWAY ENERGY SERVICES CORPORATION D/B/A GATEWAY POWER SERVICES IN THE AMOUNT OF USD 500,000.00. FUNDS UNDER THIS LETTER OF CREDIT ARE AVAILABLE FOR PAYMENT TO YOU UPON PRESENTATION TO US OF AN ORIGINAL LETTER OF CREDIT AND ANY EFFECTIVE AMENDMENTS TO THIS LETTER OF CREDIT, AND YOUR WRITTEN DEMAND FOR PAYMENT, PURPORTEDLY SIGNED BY AN AUTHORIZED REPRESENTATIVE OF THE BENEFICIARY, MARKED 'DRAWN UNDER HSBC BANK USA NA LETTER OF CREDIT NO. SDCMTN557575' AND CONTAINING THE TEXT 'WE HEREBY CERTIFY TO YOU THAT USD ... IS DUE AND OWING TO US BY GATEWAY ENERGY SERVICES CORPORATION D/B/A GATEWAY POWER SERVICES, UNDER AND IN ACCORDANCE WITH PUBLIC UTILITY COMMISSION OF TEXAS RULES'.

SUCH PRESENTATION MAY BE MADE (I) IN PERSON AT HSBC BANK USA NA, 2 HANSON PLACE, 14TH FLOOR, BROOKLYN, NEW YORK 11217 (II) BY FIRST CLASS CERTIFIED AND REGISTERED U.S. MAIL, OR (III) BY OVERNIGHT MAIL.

FUNDS MAY BE DRAWN BY YOU UNDER THIS LETTER OF CREDIT IN ONE OR MORE DRAWINGS, IN AMOUNTS NOT EXCEEDING IN THE AGGREGATE THE AMOUNT SPECIFIED ABOVE.

..... TO BE CONTINUED ON PAGE 2

ATTACHED TO AND FORMING PART OF DC NO. SDCMTN557575

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UPON YOUR PRESENTATION TO US IN CONFORMITY WITH THE FOREGOING, WE WILL, NOT LATER THAN THE CLOSE OF BUSINESS ON THE THIRD BANKING DAY AFTER SUCH PRESENTATION, BUT WITHOUT ANY OTHER DELAY WHATSOEVER, IRREVOCABLY AND WITHOUT RESERVE OR CONDITION ISSUE PAYMENT INSTRUCTIONS TO THE FEDERAL RESERVE WIRE TRANSFER SYSTEM IN PROPER FORM TO TRANSFER THE FULL AMOUNT DEMANDED BY YOU TO THE ACCOUNT AT THE BANK DESIGNATED BY YOU IN THE DEMAND.

THE TRANSFERRED FUNDS WILL BE IMMEDIATELY AVAILABLE TO YOU IN THE ACCOUNT WE ARE DIRECTED TO PAY. WE AGREE THAT IF, ON THE EXPIRATION DATE OF THIS LETTER OF CREDIT, THE OFFICE OF THE ISSUING BANK SPECIFIED ABOVE IS NOT OPEN FOR BUSINESS, THIS LETTER OF CREDIT WILL BE DULY HONORED IF THE DEMAND IS PRESENTED BY YOU WITHIN ONE (1) FULL BANKING DAY AFTER SUCH OFFICE IS REOPENED FOR BUSINESS.

THIS LETTER OF CREDIT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT, FOR ONE YEAR PERIODS FROM THE PRESENT OR ANY FUTURE EXPIRATION DATE UNLESS, AT LEAST 90 DAYS PRIOR TO ANY SUCH DATE, WE SEND THE BENEFICIARY NOTICE AT THE ABOVE STATED ADDRESS BY OVERNIGHT COURIER THAT WE ELECT NOT TO EXTEND THIS LETTER OF CREDIT BEYOND THE INITIAL EXPIRATION DATE OR ANY EXTENDED EXPIRATION DATE THEREOF.

THE STATED AMOUNT OF THIS LETTER OF CREDIT MAY BE INCREASED OR DECREASED, AND THE EXPIRATION DATE OF THIS LETTER OF CREDIT MAY BE EXTENDED (IF THE EXPIRATION DATE HAS NOT BEEN AUTOMATICALLY EXTENDED AS PROVIDED ABOVE), BY AN AMENDMENT TO THIS LETTER OF CREDIT IN THE FORM OF ATTACHMENT A.

WE HEREBY ENGAGE WITH YOU THAT YOUR DEMANDS FOR PAYMENT IN CONFORMITY WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED AS SET FORTH ABOVE.

ALL FEES AND OTHER COSTS ASSOCIATED WITH THE ISSUANCE OF AND ANY DRAWINGS AGAINST THIS LETTER OF CREDIT WILL NOT REDUCE THE AMOUNT PAYABLE UNDER THIS LETTER OF CREDIT.

THE AMOUNTS OF ANY ACTUAL DRAWINGS AGAINST THIS LETTER OF CREDIT WILL REDUCE THE BALANCE BY SUCH AMOUNTS.

EXCEPT AS OTHERWISE EXPRESSLY STATED HEREIN, THIS LETTER OF CREDIT IS ISSUED SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES 1998 (ISP98), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590. FOR MATTERS NOT ADDRESSED BY ISP98, THIS LETTER OF CREDIT

..... TO BE CONTINUED ON PAGE 3



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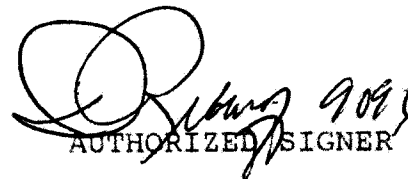
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AUSTIN, TX 78711-3326

SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS
OF THE STATE OF NEW YORK, WITHOUT REGARD TO CONFLICTS OF LAWS
PRINCIPLES.

***** THIS DOCUMENT CONSISTS OF 3 PAGES *****


AUTHORIZED SIGNER


AUTHORIZED SIGNER

V000.02-1



Attachment A

[insert effective date of amendment]

LETTER OF CREDIT AMENDMENT

Irrevocable Standby Letter of Credit No. [insert number]

Original Issue Date: [insert original date of issuance]

Amendment Sequence: [insert 1SL amendment, 2 amendment1 etc.]

Issuing Bank: HSBC Bank USA

2 Hanson Place – 14th floor
Brooklyn, New York, 11217

Rep: Gateway Energy Services Corporation d/b/a Gateway Power Services-
REP #10080

400 Rella Blvd., Suite 300
Montebello, NY 10901

Applicant: Gateway Energy Services Corporation d/b/a Gateway Power Services

400 Rella Blvd., Suite 300
Montebello, NY 10901

Beneficiary: Public Utility Commission of Texas

1701 N. Congress Avenue
PO Box 13326
Austin, Texas 78711-3326

The above referenced Irrevocable Standby Letter of Credit is hereby amended as follows:

_____ The amount is increased/decreased from \$_____ to \$_____

_____ The expiration date is extended from [insert current effective expiration date] to
[insert date not less than one year beyond current effective expiration date].

All other terms and conditions of the Letter of Credit remain unchanged.

Yours faithfully,

(name of issuing bank)

By _____

Title _____

Date _____

Direct Telephone No. _____