

Sample of Letter of Credit

DATE :

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER :

BENEFICIARY
CITY OF CHESAPEAKE
DEPARTMENT OF PUBLIC UTILITIES
P.O. BOX 15225
CHESAPEAKE, VA 23328

APPLICANT
(DEVELOPER NAME & ADDRESS)

AMOUNT
(\$0000.00)

EXPIRATION
(14 MONTHS FROM DATE OF ISSUANCE)

RE: (PROJECT NAME)

WE HEREBY ISSUE THIS IRREVOCABLE STANDBY LETTER OF CREDIT IN BENEFICIARY'S FAVOR WHICH IS AVAILIABLE BY PAYMENT AGAINST DRAFTS DRAWN AT SIGHT ON BANK (NAME) BEARING THE CLAUSE "DRAWN UNDER IRREVOCABLE LETTER OF CREDIT NO. (NUMBER)" ACCOMPANIED BY THE FOLLOWING DOCUMENTS:

1. A WRITTEN STATEMENT PURPORTEDLY SIGNED BY AN OFFICIAL OF THE CITY OF CHESAPEAKE THAT "I, THE UNDERSIGNED, CERTIFY THAT I AM AN AUTHORIZED OFFICIAL OF THE CITY OF CHESAPEAKE AND HEREBY STATE THAT THE AMOUNT OF THE DRAFT DRAWN HEREUNDER REPRESENTS FUNDS DUE AND PAYABLE BECAUSE APPLICANT, (DEVELOPER NAME) HAS FAILED TO FULLY PERFORM ITS OBLIGATIONS UNDER DEFECT BOND DATED (DATE), ENTERED INTO WITH THE CITY OF CHESAPEAKE FOR (PROJECT NAME), AND HAS FAILED TO CONSTRUCT UTILITY IMPROVEMENTS IN ACCORDANCE WITH APPROVED PLANS BY (DEVELOPER NAME) AND SAVE HARMLESS THE CITY OF CHESAPEAKE FROM ALL LOSS, COST, DAMAGE, CHARGE, LIABILITY OR EXPENSE INCURRED IN THE REPAIR OF SAID UTILITY IMPROVEMETS DUE TO FAULTY DESIGN OR COSTRUCTION FOUND BY THE CITY OF CHESAPEAKE DEPARTMENT OF PUBLIC UTILITIES WITHIN ONE YEAR FROM THE DATE THAT ALL PHYSICAL IMPROVEMENTS ARE ACCEPTED BY THE CITY OF CHESAPEAKE.
2. THE ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT ATTACHED HERETO.

WE HEREBY AGREE WITH YOU THAT DRAFT(S) DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE DULY HONORED UPON PRESENTATION AT BANK (NAME & ADDRESS).

UNLESS OTHERWISE SPECIFICALLY STATED, THIS CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS 1993 REVISION, THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 500.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL (PHONE NUMBER).

AUTHORIZED SIGNATURE

AUTHORIZED SIGNATURE

THIS DOCUMENT CONSISTS OF 1 PAGE(S).