

FINANCIAL INSTITUTION LETTER HEAD

Date:

Irrevocable Standby Letter of Credit Number: _____ Applicant: *(Developer's Name/Address)*

Beneficiary: City of Chesapeake Amount \$ *(Defect Bond amount)*
Dept. of Public Works
P.O. Box 15225 Expiration Date: *(60 days beyond the expiration of the agreement)*
Chesapeake, VA 23328
Attention: Thomas D. Crawford, P.E.

RE: Subdivision Name _____ AC # _____

We hereby issue this letter of credit # _____ - in the Beneficiary's favor which is available by payment against drafts at sight on _____ *(bank name)* bearing the clause "DRAWN UNDER IRREVOCABLE LETTER OF CREDIT NUMBER _____" accompanied by the following documents:

1. A written statement purportedly signed by an official of the City of Chesapeake certifying that "The amount of the draft drawn hereunder represents funds due and payable because _____ *(Name of person/company posting the bond)* has defaulted on its obligation to construct all physical improvements in accordance with the approved construction plan, Plat(s) as outlined in the Defect Bond agreement entered with the City of Chesapeake for the subdivision of _____ *(see title block of plat to be recorded)* ." The statement must certify that the person signing is an official of 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 and address: address must be located within the Hampton Roads, Virginia vicinity)* _____.

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 _____.

Very truly yours,

Authorized Signature*

Address: _____ Phone No. _____ Fax No. _____