

SAMPLE IRREVOCABLE LETTER OF CREDIT

ISSUER:
NAME:
ADDRESS:
PHONE NUMBER:

DATE OF ISSUE:
LETTER OF CREDIT NO.:
APPLICANT:
NAME:
PHONE NO.:

BENEFICIARY:
City of Salisbury
125 North Division St.
Salisbury, Md. 21801-4940

Re: Project Name
Location

AMOUNT:
EXPIRY DATE: (1 year minimum)

To Whom It May Concern:

We hereby issue this Irrevocable Letter of Credit in favor of the City of Salisbury, which is available by one or more sight drafts drawn on us accompanied by the following:

1. The original of the Letter of Credit.
2. A written statement signed by the authorized representative of the City of Salisbury, that the draft is drawn under Issuer's Letter of Credit No. _____.
3. The amount of the draft is _____.

We understand that the purpose of this Irrevocable Letter of Credit (the "Letter") is to furnish the City of Salisbury (the "City") with surety for the construction of all public improvements and private stormwater management (the "Improvements") shown on the approved Improvements Constructions Plans and/or contract drawings, and are in accordance with the Public Works Agreement, the City Construction and Material Specifications for Utility and Roadway Construction book, the City Construction Standards book, and the City of Salisbury Code and all amendments thereto for the Project listed above.

The sum or sums of all drafts drawn under this Letter of Credit must not exceed in total \$ _____ .
This credit is available and drafts must be drawn hereunder for the account of _____ .

The expiry date of this Letter of Credit shall be automatically extended at each expiry date for an additional twelve (12) months unless the authorized representative of the City of Salisbury shall receive notice of non-extension by certified mail, return receipt requested, no less than ninety (90) days prior to each expiry date or for a period of not less than five (5) years.

A two (2) year maintenance surety equal to 10% of the approved construction cost estimate, **(list amount in number and written form)**, must be accepted by the City of Salisbury before this Letter of Credit is terminated.

This Letter of Credit sets forth the full terms of Issuer's obligation to the City of Salisbury. It is separate from and shall not be subject to or supplemented or modified by any agreement which refers to this Letter of Credit or to which this Letter of Credit relates.

Except as otherwise stated, this Letter of Credit is governed by the Maryland Uniform Commercial Code and is subject to the Uniform Customs and Practice for Documentary Credits (Latest Revision) International Chamber of Commerce (latest Publication). In case of conflict between the Maryland Uniform Commercial Code and the Uniform Customs and Practice for Documentary Credits, the Maryland Uniform Commercial Code shall control.

We hereby agree to honor each draft drawn under and in compliance with the terms of this Letter of Credit if duly presented at the address of Issuer given above on or before the expiry date set forth above.

Signature

Printed name of Bank Official

Title:

Phone No.:

STATE OF MARYLAND:
COUNTY OF WICOMICO, to wit:

The foregoing instrument was acknowledged before me this ____ day of _____, 2011, by

(printed name of person signing above and title)

(SEAL)

Notary Public

My commission expires: _____