

SAMPLE - PLACE ON BANK LETTERHEAD

County of Chesterfield
Environmental Engineering Department
9800 Government Center Parkway
P. O. Box 40
Chesterfield, Virginia 23832

RE: Irrevocable Letter of Credit #_____

Date: _____

Gentlemen:

We hereby open our irrevocable letter of credit # _____ effective on _____ (Date), in your favor for the account of (Owner/Developer) (the "Customer"), for a sum not to exceed (Bond Amount) available by your sight drafts on the (Bank) Bank, (Address of Bank) (the "Issuing Bank"). [This letter of credit must provide an address within the State of Virginia and within the Central Virginia area if the Bank maintains offices there, where drafts and documents may be presented.]

The purpose of this letter of credit is to furnish (1) the County of Chesterfield ("County") with surety for the construction and installation of certain improvements (the "Improvements") to the design standards set forth in the Code of Chesterfield County ("Code") located in the (Magisterial District) Magisterial District of Chesterfield County, as more fully shown on a set of plans entitled (Title of Approved Plans) prepared by (Engineering Firm) dated _____, and any further revisions thereto, whether made before or after the date of this irrevocable letter of credit (the "Plans"). The face amount of this letter of credit consists of the following estimated cost of the Improvements.

The Improvements:

1. BMP Improvements in the amount of \$_____.

Drafts hereon shall be promptly honored when accompanied by documents specified below:

1. A certified statement signed by an official designated by the County stating that the Customer has not satisfactorily installed or maintained, or caused to be installed or maintained, the

Improvements designated on the Plans and as required by the Code or the Plans.

2. A certified statement signed by an official designated by the County to the effect that the drawing is for the explicit purpose of providing for the completion or the Maintenance of the Improvements pursuant to the terms of the Code.

3. All drafts must bear the clause drawn under the (Bank) Bank, Letter of Credit # _____, dated _____.

We hereby engage with drawers, endorsers, and bona fide holders that all drafts drawn in compliance with the terms of this credit shall be duly honored upon presentation and delivery of the documents. Bank will accept facsimile copy of draft and original letter of credit for draw request, with original documents to be sent overnight to bank upon facsimile request. Bank will accept and honor facsimile copy of draft and facsimile copy of original letter of credit, if sent by facsimile to (area code and telephone number) and if original documents are sent to Bank by overnight mail or commercial express mail service, after facsimile transmission (all transmissions to the attention of name and title of bank official).

This irrevocable letter of credit shall remain in full force and effect for a period of one (1) year from the effective date of the letter of credit (ending at _____ a.m./p.m. on (Date)) and shall automatically renew itself from year to year thereafter unless and until the Issuing Bank gives ninety (90) days prior written notice to the county's Environmental Engineering Department, by certified mail, return receipt requested, of its intent to terminate the letter of credit at the expiration of the ninety-day period. During the last thirty (30) days during which the letter of credit is in full force and effect, the County may draw up to the full amount of the letter of credit when the draft is accompanied by a document certifying that (i) the Customer has not completed or maintained the Improvements and not provided an acceptable substitute irrevocable letter of credit or (ii) the drawing is for the explicit purpose of guaranteeing and/or providing for the completion or Maintenance of the Improvements.

This irrevocable letter of credit shall terminate within 60 days of the BMP Certification (including the "As-built" Drawings) by the Environmental Engineering Department.

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This irrevocable letter of credit is non-transferable or assignable by the Issuing Bank, County or Customer.

This irrevocable letter of credit shall be construed according to the "Uniform Customs and Practices for Documentary Credits," promulgated by the XIII Congress of the International Chamber of Commerce International Chamber of Commerce Publication No. 500, 1993 Revision) and the provisions of the Uniform Commercial Code - Letters of Credit, Title 8.5 of the Code of Virginia, 1950, as amended.

Very truly yours,

By: _____

Title: _____
(President or Vice-President)

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**Press Embossed Seal of
Bank or Institution here.
The letter of credit is
incomplete without seal.**

