

IRREVOCABLE LETTER OF CREDIT NO. _____

DATE: _____

To: Hanover County
Director
Public Works Department
7516 County Complex Road
P. O. Box 470
Hanover, Virginia 23069

Re: Irrevocable Letter of Credit No. _____
Name of Project: _____

We hereby open our Irrevocable Letter of Credit No. _____ in favor of Hanover County for the account of _____ and authorize you to draw on the Bank up to an aggregate amount not exceeding U.S.\$_____, available by your written demand delivered by receipted mail or other receipted delivery service, addressed to _____ and accompanied by a statement signed by an official of Hanover County that “the Developer has not satisfactorily complied with the requirements of the Erosion and Sediment Control and Stormwater Management Laws; and the demand is for the purpose of providing for the performance of the obligations of the Developer pursuant to those Laws.”

We further agree that:

1. Funds available under this Letter of Credit shall be paid by us in such amounts as demanded by an official of Hanover County, provided that the amount drawn shall not exceed the aggregate amount specified above. Checks shall be made payable to “County of Hanover” and directed to the attention of the Director, Public Works Department (“the Director”). Any amounts paid by the Bank and not used for the purpose of meeting the obligations of the Agreement, shall be refunded to the Bank.
2. The Bank shall have no right, duty, obligation or responsibility to evaluate the respective obligations of our customer and the beneficiary of this Letter of Credit.
3. No change, extension of time, alteration or addition to work to be performed or to the plans and specifications relating to the same, shall in any way affect our obligations under this Letter of Credit and we waive notice of any such change, extension of time, alteration, or addition.
4. If the issuer of this Letter of Credit becomes critically undercapitalized, as defined in the Code of Federal Regulations, or insolvent, as defined in any applicable federal or state statute or regulation, the County shall be immediately entitled to draw on this Letter of Credit. In such event, you may draw on this Letter of Credit by means of your written demand on us, accompanied by a statement of an official of Hanover County that “the

issuer of this Letter of Credit has become critically undercapitalized, as defined in the Code of Federal Regulations, or insolvent, as defined in any applicable federal or state statute or regulation.”

5. Upon receipt by you of a notice of nonrenewal, you may draw on the Bank by means of your written demand accompanied by the written statement of an official of Hanover County that “the County has not released liability for obligations pursuant to the Erosion and Sediment Control and Stormwater Management Laws and the proceeds of the demand will be used to provide for performance of those obligations.”

6. Except as otherwise expressly stated, this Letter of Credit is subject to the Uniform Customs and Practices for Documentary Letters of Credit, International Chamber of Commerce, in effect at the time of issuance. All written demands must be marked “Drawn under _____ Letter of Credit No. _____.”

7. Approval of this Letter of Credit by the County shall be deemed acceptance without further notice to the Bank or any other party.

We agree that all written demands drawn in compliance with the terms of this credit shall be duly honored upon presentation and delivery of the applicable statement set out above. This Letter of Credit is irrevocable and shall remain in full force and effect until _____, 20__ and shall then renew automatically from year-to-year unless and until the Bank gives at least ninety (90) days prior written notice of nonrenewal to Hanover County, Director, Public Works Department, 7516 County Complex Road, P. O. Box 470, Hanover, Virginia 23069-0470, by certified mail, return receipt requested or other receipted delivery service, of its intent to terminate same at the current expiration date.

[Corporate Seal]

Very truly yours,

By: _____
Name: _____
Title: _____

CITY/COUNTY OF _____
STATE/Commonwealth of _____

The foregoing instrument was acknowledged before me _____, 20____, by _____.

My commission expires: _____
Notary registration number: _____

Notary Public

Approved as to content:

Director of Public Works or Designee
Date: _____