

Sample Letter of Credit

Bank Letterhead

Date

Irrevocable Letter of Credit No. _____

To: City of Ramsey
7550 Sunwood Drive N.W.
Ramsey, MN 55303

Gentlemen:

We hereby establish in favor of the City of Ramsey this Irrevocable Letter of Credit Number _____ for the account of (name and address of developer) for (name of development/project) in an aggregate amount of (amount of the letter of credit).

This LETTER OF CREDIT shall be deemed automatically renewed without modification for one (1) year from (one year after date of letter of credit) or any extended expiration date unless sixty (60) days or more prior to such date we shall notify you by registered or certified mail that we elect not to extend this LETTER OF CREDIT for any such additional period.

Partial drawings permitted.

Each draft drawn under this Letter of credit must:

Be signed on behalf of the City;

Bear on its face the clause "drawn under (name of the bank) Letter of Credit Number _____ dated _____"; and

Be accompanied by a certification signed on behalf of the City of Ramsey that either (i) (name of developer) has failed to comply with the terms of the grading permit, or (ii) (name of developer) has failed to comply with the terms of the developers agreement, or (iii) this Letter of Credit will expire within sixty (60) days and this Letter of Credit has not been renewed or replaced as required.

The original of this Letter of Credit is NOT required to be presented to draw upon this Letter of Credit.

We hereby engage with drawers and/or bona fide holders that drafts drawn and negotiated in conformity with the terms of this credit will be duly honored upon presentation.

Except as otherwise stated herein, this Letter of Credit shall be governed by the most recent version of the Uniform Customs and Practice for Documentary Credits (2007 Revision*), International Chamber of Commerce Publication No. 600.

Bank Name

By: _____
Name and title of appropriate bank officer

*Must be most recent version