

SAMPLE

LETTER OF CREDIT

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This Letter of Credit example may ONLY be used for the following AGREEMENT TYPES:

- Performance Agreement for Sediment and Erosion Control and/or Non-Dedicated Stormwater Management
- Forest Improvements and Protection Agreement

This is an example ONLY. The following information should be incorporated into the Financial Institution's own letterhead and format.

Date of Issue: *Self Explanatory*

Initial Date of Expiry: *Self Explanatory*

Issue Number: *Self Explanatory*

Beneficiary: Frederick County, Maryland

C/O: Department of Permits and Inspections
Environmental Compliance
30 North Market Street
Frederick, MD 21701

Re: IRREVOCABLE LETTER OF CREDIT

Project Name: *Development, Subdivision or Business name as it appears on the approved plans*

We hereby establish our irrevocable letter of credit in your favor for the account of:

Name

Street Address

City, State Zip Code

up to an aggregate amount of \$ **0.00** available by your drafts at sight accompanied by a signed statement that the funds are being drawn and required in accordance with a

Insert the name of the AGREEMENT Type (from above) this letter is securing between

Frederick County, Maryland and

Insert the customer's name being party to the Agreement .

Drafts must be drawn and negotiated prior to expiration at our counters, or by facsimile with original documents sent by certified mail within 72-hours.

This letter shall be deemed automatically renewed without amendment for successive one-year periods from the initial and any future expiration date(s). Cancellation of this document may only occur 60-days after written notice of the intent to cancel has been sent by Certified Mail, return receipt requested, to Frederick County at the name and address listed below.

Each draft must state that it is drawn under the Irrevocable Letter of Credit of
Name of Issuing Financial Institution number **Issue Number** dated **Date of Issue**.

Partial draws are permitted.

This Letter of Credit is not transferable or assignable without the written consent
Name of Issuing Financial Institution.

Requests for reduction or notice of cancellation shall be submitted to:

Frederick County Department of Permits and Inspections
Environmental Compliance
30 North Market Street
Frederick, MD 21701

This Letter of Credit is subject to the "Uniform Customs and Practice for Documentary Credits, 2007 Revision" of the International Chamber of Commerce, Publication #600.

We hereby agree that all drafts under and within the terms and amount of this accompanied by the documents above specified will be duly honored upon presentation to the drawee.

Yours truly,

Signature

Name and Title of Financial Institution's Authorized Representative

* *This Letter of Credit MUST be issued by a Maryland Financial Institution, have a Maryland location for presentation of drafts, or allow presentation of drafts by facsimile (please include the fax number).*