

Sample: MPDU Letter of Credit

MUST BE ON BANK LETTERHEAD

Date of Issue:_____ Initial Date of Expiry:_____

Issue Number:_____

Beneficiary: Board of County Commissioners of Frederick County
12 East Church Street - Winchester Hall
Frederick, Maryland 21701
(See mailing address below.)

Re: IRREVOCABLE LETTER OF CREDIT

We hereby establish our irrevocable letter of credit in your favor for the account of (NAME AND ADDRESS OF CONTRACTING PARTY), up to an aggregate amount of \$_____, which is 125% of the value of one Moderately Priced Dwelling Unit, available by your drafts at sight accompanied by a signed statement that the funds are being drawn and required in accordance with an Agreement to Build Moderately Priced Dwelling Units between Frederick County and (NAME OF CONTRACTING PARTY).

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 of Credit shall be deemed automatically renewed without amendment for successive one-year periods from the initial or 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.

Each draft must state that it is drawn under the Irrevocable Letter of Credit of (ISSUER) number _____ dated _____.

Partial draws are permitted.

This Letter of Credit is not transferable or assignable without written consent of (NAME OF ISSUING BANK).

Requests for extension, reduction or cancellation shall be submitted to:

Frederick County Department of Housing
520 North Market Street
Frederick, MD 21701
Attn: MPDU Coordinator

This credit is subject to the "Uniform Customs & Practices for Documentary Credit A1993 Revision" of the International Chamber of Commerce, Brochure #500.

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

Yours truly,

*** This letter of credit must be issued by a Maryland bank, or have a Maryland location for presentment of drafts.**

Revised 8/06