

Figure: 31 TAC §364.54(c)(3)

APPENDIX 2B. IRREVOCABLE LETTER OF CREDIT SAMPLE FORM

IRREVOCABLE LETTER OF CREDIT NO.

TO: \_\_\_\_\_, Texas

DATE: \_\_\_\_\_, 20\_\_\_\_\_

We hereby authorize you to draw at sight on [NAME AND LOCATION OF BANK], for the account of [NAME OF CUSTOMER] (the Customer), up to the aggregate amount of \_\_\_\_\_ DOLLARS (\$\_\_\_\_\_) (the Stated Amount) available by our draft, accompanied by a certification by the county judge, any county commissioner, or the county treasurer that the following condition exists:

AA Condition of Draw exists under Subdivision Construction Agreement dated \_\_\_\_\_, 20\_\_\_\_, by and between Subdivider and the County of \_\_\_\_\_ (the Agreement). County is in substantial compliance with the terms of said Agreement and has calculated the amount of this draft in accordance with the terms of the Agreement.

Drafts must be drawn and presented by or on [EXPIRATION DATE] by the close of business of the Issuer of this credit and must specify the date and number of this credit. Drafts will be honored within five calendar days of presentment. We hereby engage all drawers that drafts drawn and presented in accordance with this credit shall be duly honored. Partial draws are permitted and the letter of credit shall be reduced by the amount of such partial draws as well as by any reduction letters authorized by the County. The sum of such partial draws shall on no account exceed the Stated Amount of this credit, and upon any draw or reduction letter which exhausts this credit, the original of this credit will be surrendered to us.

Except as expressly stated, this credit shall be subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce (Publication No. 500).

This credit is irrevocable prior to its expiration date unless both parties consent to revocation in writing.

Address of Issuer:

Signature of Issuer's Authorized Officer

Printed Name:

Title: