



SAMPLE APPROVED IRREVOCABLE LETTER OF CREDIT FOR USE IN THE
TOWN OF FREMONT

IRREVOCABLE LETTER OF CREDIT MUST BE SUBMITTED IN THIS FORMAT
WITH ALL OF THE PERTINENT PROJECT INFORMATION, PLANS & TIMELINE.
ALL LETTERS ARE SUBJECT TO REVIEW AND APPROVAL BY THE FREMONT
BOARD OF SELECTMEN.

November 9, 2005

Town of Fremont
Board of Selectmen
PO Box 120
Fremont NH. 03044-0120

RE: Irrevocable Letter of Credit #12345

Dear Town Officials:

By this document, Archer Bank, FSB, (hereinafter "Issuer) hereby issues an Irrevocable Letter of Credit in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00) to the Town of Fremont on behalf of John Smith Developer LLC, (hereinafter called "Developer"). This Irrevocable Letter of Credit is issued to guarantee completion of all improvements required by the Fremont Planning Board and the Town of Fremont Board of Selectmen in conjunction with a plan dated _____ and entitled "John Smith Subdivision Plan" recorded at the Rockingham County Registry of Deeds as Plan # D-_____. It is understood that the improvements guaranteed by this Irrevocable Letter of Credit include, but are not limited to the following.

- Completion of the roads and other infrastructure which shall serve the "John Smith" Subdivision and acceptance of said road(s) by the Town of Fremont Annual Town Meeting.
- It is further a condition of the Irrevocable Letter of Credit that, upon completion of each state of the required improvements, the Town will, at the request of the Developer or Archer Bank, FSB, inspect and certify in letter form, the amount of work satisfactorily completed, and further release the Archer Bank, FSB in letter form, from its obligation under this Irrevocable Letter of Credit in an amount equal to the value of the completed work. For purposes of this letter, the phrase "value of the completed work" shall mean the value which said Town has placed upon said work for bonding requirement





purposes. A breakdown of which bonding figure shall be delivered to Developer, once prepared by the Town's consulting engineer.

It is agreed and understood by the issuer of this Irrevocable Letter of Credit that if all improvements guaranteed by this Irrevocable Letter of Credit are not completed by <date not to exceed one year from date of issue of LOC> and, if a certificate indicating completion of all improvements has not been issued by the Board of Selectmen or such other individuals as the Board of Selectmen shall designate, then this Irrevocable Letter of Credit shall be automatically considered to have been called and without further action of the Town of Fremont or its Planning Board, Archer Bank, FSB shall forthwith forward a check in the amount of One Hundred Fifty Thousand Dollars (\$150,000.00), or such lesser amount as shall remain under this Irrevocable Letter of Credit in the event that partial releases shall have been issued as provided above, to the Treasurer of the Town of Fremont. The funds so forwarded to the Town Treasurer shall be used exclusively for the purpose of completing the improvements including an administrative fee of \$_____ (calculated by the Town, based on the amount of the bond at 7%), which are guaranteed by this Irrevocable Letter of Credit. Any funds excepting the administrative fee not needed by the Town to complete improvements required by the subdivision and/or site plan referred to above shall be returned to Archer Bank, FSB.

This Irrevocable Letter of Credit shall expire at our <address> Office in <town, state> on <date of expiration not to exceed one year from date of issue>.

We hereby agree that all drafts drawn under and in compliance with the terms of credit shall be duly honored on delivery of documents as specified if presented at our office in _____ <location of branch office where draft is to be submitted>, on or before the expiry date.

Unless otherwise expressly stated, this credit is subject to the Uniforms Customs and Practice for Documentary Credits fixed by the International Chamber of Commerce (1993 Revision) ICC Publication No. 500, and is governed by the Uniform Commercial Code of <lender state>, as from time to time amended.

Sincerely,

Mary Smith
Assistant Vice President

I have read this Irrevocable Letter of Credit and agree to its terms.

Signature of Developer

