

XYZ BANK AND TRUST COMPANY

IRREVOCABLE LETTER OF CREDIT

LETTER OF CREDIT NO.:

Date:

BENEFICIARY: Town of \_\_\_\_\_, CT 06

Gentlemen:

We hereby open our Irrevocable Letter of Credit in your favor for up to the aggregate amount of \$\_\_\_\_\_ (insert written amount) for the account of:

ABC Development Co.  
123 Main Street  
Anytown, CT

This amount is available upon presentation of your sight draft accompanied by a signed and notarized statement from the First Selectman of the beneficiary in the form set forth on Exhibit A. Such statement shall constitute adequate evidence that ABC Development Co. defaulted under the terms of the subdivision approval, which approval is set forth in the Minutes of the \_\_\_\_\_, 20\_\_ meeting of the [Town] Planning & Zoning Commission, which subdivision is more particularly shown by a series of \_\_\_\_\_ maps \_\_\_\_\_ entitled, \_\_\_\_\_

\_\_\_\_\_ prepared by \_\_\_\_\_ on file in the [Town] Town Clerk's Office, or as such maps may be amended in accordance with the [Town] Subdivision Regulations. The specific roadwork and other public improvements covered by this Letter are as set forth on said series of maps, the [Town] Subdivision Regulations as in force on the date of approval, and the [Town] Road Specifications referenced therein.

We hereby agree with you that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to the XYZ Bank and Trust Company, \_\_\_\_\_ (city) \_\_\_\_\_, \_\_\_\_\_ (state & zip) \_\_\_\_\_, U.S.A.

This Letter of Credit expires on \_\_\_\_\_, 20\_\_.  
[Sufficient time to complete improvements].

This Letter of Credit shall be extended for an additional period of one (1) year from the present or future expiration date hereof unless sixty (60) days prior to such expiration date we shall notify you in writing, by registered mail, that we elect not to renew this Letter of Credit for such additional period. Upon receipt of that notice, you shall have the right to draw against the amount remaining available under this Letter of Credit in accordance with terms of this Letter of Credit and accompanied by the beneficiary's statement signed by the said First Selectman or his designee, stating:

Page Two  
Irrevocable Letter of Credit

"I certify that \_\_\_\_\_ is indebted to us in an amount no less than the amount represented by the accompanying draft."

In respect to the written statement above and in Exhibit A, XYZ Bank and Trust Company is authorized to accept them as binding and correct without investigation or responsibility for the accuracy, veracity, correctness or validity of the same or any part thereof. We hereby agree with the drawers, endorsers, and bona fide holders of all drafts drawn under and in compliance with the terms of this Letter of Credit that such drafts will be duly honored by us upon presentation, notwithstanding any claims of illegality, unenforceability, or fraud in connection with the transaction. We here waive the right to defer the honor of any such drafts presented by the beneficiary or by any drawer, endorser, or bona fide holder of any such drafts.

Each draft must bear upon its face the clause "Drawn under Letter of Credit # \_\_\_\_\_ dated \_\_\_\_\_, 19\_\_ of XYZ Bank and Trust Company, \_\_\_\_\_ (city), \_\_\_\_\_ (state & zip), U.S.A.

Very truly yours,

XYZ BANK AND TRUST COMPANY

By: \_\_\_\_\_

Its \_\_\_\_\_ [office]  
Duly Authorized

EXHIBIT A  
NOTICE OF DRAW UNDER LETTER OF CREDIT

\_\_\_\_\_, 20\_\_

Re: Irrevocable Letter of Credit No.

Gentlemen:

This is to notify you that ABC Development Co. has defaulted on its obligations to us by failing to cure a default within ten (10) days after we sent written notice of default; and the amount represented by the accompanying draft is due and owing us.

Very truly yours,

THE TOWN OF [Town]

By: \_\_\_\_\_

Its \_\_\_\_\_ [office]  
Duly Authorized

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