

## Preferred Format for Letter of Credit

[ **Bank/Issuer name, address and telephone number** ]

[ Date ]

Letter of Credit Number \_\_\_\_\_

Amount: \$\_\_\_\_\_ U. S.

To: The Town of Front Royal, Virginia, a municipal corporation

Re: Irrevocable Letter of Credit issued on behalf of [ Name of developer ]

Dear Sirs:

The Issuer opens its Irrevocable Letter of Credit in your favor available in the following manner and on the following terms:

1. Issuer: [ name of bank/issuer ]
2. Beneficiary: The Town of Front Royal, Virginia, a municipal corporation
3. Customer: [ name of developer ]
4. Project: [name of project, site, subdivision, project number ]
5. Obligation of Issuer: The Credit is irrevocable.
6. Transferability: The Credit is to be non-transferable.
7. Total: The sum total of the Credit is \$\_\_\_\_\_ U. S.
8. Purpose: To provide surety for a developer's bond required by Town Code Section 148-25(A) to ensure construction of required public improvements at [ name of project, site, subdivision, project number ] to include installation of [ list of public facilities to be constructed/installed ] in accordance with the approved plan and with the specifications of the Town of Front Royal, Virginia.
9. Default: In the event that any or all of the above-stated public improvements are not constructed and/or installed in accordance with the specifications of the Town of Front Royal within eleven (11) months from this date, the Beneficiary may upon written notice to Issuer and Customer at the addresses noted herein demand and receive payment from the Issuer in cash in the entire amount of \$\_\_\_\_\_ if one of the required public improvements have been constructed and/or installed or in such lesser amount as may be required to complete construction and/or installation of the aforesaid improvements if said improvements have been partially constructed and/or installed. All drafts drawn under this Letter of Credit shall contain the clause "Drawn under [ name of Issuer ] Letter of Credit Number \_\_\_\_\_."

The Issuer shall have ninety (90) days from the receipt of said notice to effect a cure by procuring completion of construction and/or installation of the aforesaid public improvements in accordance with the specifications of the Town of Front Royal, Virginia, and thereby receive a refund of any sum paid in default.

10. Addresses:

Issuer:                      [ name of Issuer ]  
                                    [ street address ]  
                                    [ city, state, zip ]

Customer:                  [ name of Customer ]  
                                    [ street address ]  
                                    [ city, state, zip ]

Beneficiary:            Town of Front Royal, Virginia  
                                  c/o Town Hall  
                                  16 N. Royal Avenue  
                                  Front Royal, VA 22630

11. Termination:                This is a continuing agreement and shall remain in full force and effect until written notice is received by the Town of Front Royal that it has been terminated and revoked.

[ or This Letter of Credit shall be in full force and effect until   [ date (which shall be not less than 12 months from date of letter of credit ) ] ].

12. Miscellaneous:        This Letter of Credit and the terms hereof shall be binding upon the respective parties, heirs, executors, administrators, successors and assigns. None of the terms of this agreement or its provisions may be waived, altered, modified or amended except in writing signed by the Beneficiary and the Issuer.

13. Applicable Law:        This Letter of Credit is to be governed by the Uniform Commercial Code of the State of Virginia.

Given under our hands this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

[ Issuer Bank name ], Issuer

By: \_\_\_\_\_  
        [ Title ]

Seen: \_\_\_\_\_  
      Customer

Town of Front Royal, Beneficiary