

(Bank Letterhead)

LETTER OF CREDIT
BRADLEY COUNTY

(date)

Bradley County Engineering
C/o Sandra Knight, County Engineer
P. O. Box 1167
Cleveland, TN 37364-1167

Re: Letter of Credit No. _____
_____(Subdivision/Name)

We, _____ (financial institution), hereby establish our IRREVOCABLE LETTER OF CREDIT in favor of Bradley County, Tennessee, as Beneficiary for the account of _____ (developer) for the completion of roads in _____ (subdivision name) located in Bradley County, Tennessee, up to the aggregate amount of _____ DOLLARS (\$_____) available by your draft on site.

Drafts are not to be presented for collection unless payment is not made to Bradley County for roads completed by _____ (developer) within the prescribed terms for completion of the roads as set forth in the Bradley County Subdivision Regulations and other governmental specifications and regulations related to said roads. Drafts presented for payment under this Letter of Credit are to be accompanied by an affidavit executed under oath by a duly authorized officer of Bradley County as beneficiary indicating that the work has not been completed as required and that payment is due to Bradley County for work to be completed by or completed by Bradley County for the above project.

Drafts drawn under this Letter of Credit must be marked "Drawn under _____ (financial institution) _____ (address) Letter of Credit No. _____ and the amount and date of each draft must be endorsed on the back hereof by the negotiating bank.

This Letter of Credit expires at the close of business on _____ (date) and drafts must be presented prior to the expiration. However, this Letter of Credit shall be automatically renewable for additional six (6) month periods unless amended by the financial institution as follows:

- The financial institution must provide Bradley County as beneficiary a thirty (30) day written notice of its intention to amend the Letter of Credit at its initial expiration or next renewal. Failure to provide such written notice or failure to provide such written notice in the specified time will automatically constitute renewal of the Letter of Credit.

- The financial institution may amend the Letter of Credit in one of the following ways:
 - (a) it may be cancelled by the financial institution upon the written agreement with Bradley County as beneficiary that the roads in above-named subdivision have been satisfactorily completed;
 - (b) it may be paid to Bradley County as beneficiary in the aggregate amount or in a lesser amount for the remaining work to be completed as agreed to in writing by Bradley County.

Except so far as otherwise expressly stated, this documentary credit is subject to the “Uniform Customs and Practices for Documentary Credit” (1993 Revision) fixed by the International Chamber of Commerce (Brochure No. 500).

We, _____ (financial institution), hereby engage as the drawers and/or bona fide holders that drafts drawn and negotiated in conformity with the terms of this credit will be duly honored for presentation.

Sincerely,

By: _____ (Name)
_____ (Title)