

LETTER OF CREDIT – SAMPLE FORM

(PLACE ON BANK'S LETTERHEAD STATIONERY)

Date \_\_\_\_\_

Montgomery County, Maryland
Department of Permitting Services
255 Rockville Pike, 2nd Floor
Rockville, Maryland 20850-4166

Re: Irrevocable Letter of Credit No. \_\_\_\_\_
(Permittee)
(Address)

Expiration Date: (2 years)

Gentlemen:

We hereby authorize Montgomery County, Maryland, to draw on (Bank Name and Address)
\_\_\_\_\_ for the account of (Permittee Name) \_\_\_\_\_ up to an aggregate amount of
\$ \_\_\_\_\_ available by your draft at sight.

Each draft drawn under this Letter of Credit must state, "Drawn under (Bank Name) \_\_\_\_\_ Letter of
Credit No. \_\_\_\_\_ dated \_\_\_\_\_ in connection with (Subdivision
Name) \_\_\_\_\_ Subdivision, as more fully described in the application and Permit No. \_\_\_\_\_

Each draft must also be accompanied by your certification that: (CHECK BOX THAT APPLIES)

- Failed to complete the work authorized under Permit No. in (Subdivision Name) Subdivision in accordance with Section 8-27 of the Montgomery County Code, 1994, as amended, and failed to safely demolish the building or structure or clear the site described in the permit. [FOR DEMOLITION PERMIT] or
Failed to complete the work authorized under Permit No. in (Subdivision Name) Subdivision in accordance with Chapter 49 of the Montgomery County Road Construction Code and the regulations adopted pursuant thereto. [FOR DRIVEWAY PERMIT OR GRADING AND PAVING PERMIT] or
Name of Permittee failed to complete the work authorized under Permit No. in (Subdivision Name) Subdivision in accordance with Chapter 19 of the Montgomery County Code, 1994, as amended; or prior to issuing a completion certificate for the work authorized under the above project, and the County received notice, as provided below, that this Letter of Credit would not be renewed and the County received no replacement security from the permittee. [FOR SEDIMENT CONTROL PERMIT]

It is a condition of this Letter of Credit that it shall be automatically extended without amendment on a year-by-year basis from the expiration date unless sixty (60) days prior to such expiration date you are notified by certified letter that we elect not to consider this Letter of Credit renewed for any such additional period.

This Letter of Credit shall be governed by the Uniform Commercial Code as enacted by the State of Maryland and is subject to the Uniform Customs and Practice for Documentary Credits @ (1993 Revision or the most recent revision), International Chamber of Commerce Publication No. 500. In case of conflict between the Maryland Uniform Commercial Code and the Uniform Customs and Practice for Documentary Credits, the Maryland Uniform Commercial Code shall control. This Letter of Credit complies with section 5-101 et seq. of the Commercial Law Article of the Annotated Code of Maryland and any litigation related thereto shall be conducted in the Courts of the State of Maryland.

We hereby agree that all drafts under this Letter of Credit, in whole or in part, and in compliance with the terms and conditions of this credit, will be duly honored if drawn and presented for payment on or before the initial expiration date or any automatic extended date as set forth above.

(Name of Financial Institution)

By: (Authorized signature of bank officer) (SEAL)

(Printed Name and Title)