

EXAMPLE OF LETTER OF CREDIT

Date

Ferguson Township
3147 Research Drive
State College, PA 16801

RE: (Name of development)

LETTER OF CREDIT NUMBER: (ISSUED BY BANK)

EFFECTIVE DATE:

EXPIRATION DATE:

AMOUNT:

Dear Ladies and Gentlemen:

We hereby open our Irrevocable Letter of Credit Number (bank) dated (date) in your favor at the request of (developer) (address) in the aggregate amount of (amount), available by payment of your drafts at sight drawn on (bank name) at our location in State College, PA or by facsimile to the following fax numbers (fax number) Attn: (name) located at (location).

This Irrevocable Letter of Credit sets forth in full the terms of our undertaking. This undertaking shall not in any way be modified, amended or amplified by reference to any documents or contract referred to herein.

Draft(s) drawn under this credit must state on their face "Drawn under Irrevocable Letter of Credit Number (number) for (development)" and contain the following statement: "I certify that the amount of the sight draft represents payment properly due in connection with completion of improvements for (development name) Ferguson Township. I further certify that I am the Engineer for the Township of Ferguson signed by the Township Engineer." And the following statement signed by an authorized representation of Ferguson Township. "I hereby certify that this draft is pursuant to an agreement between (developer), and the Township of Ferguson and is properly payable pursuant to the terms thereof."

We hereby agree with you that draft(s) drawn under and in compliance with the terms and conditions of this credit shall be duly honored if presented together with document (s) as specified and the original of this credit, on or before (one year from issue date- insert date).

The Credit and this Agreement is issued subject to the International Standby Practices –ISP98, International Chamber of Commerce Publication No 590, or the most recent revision thereof, the terms of which are known to us and the same is incorporated herein, to be construed in conjunction with the laws of the Commonwealth of Pennsylvania as applicable to this Credit and Agreement.

Sincerely,

BY: _____ ATTEST: _____

(Signed authority)