

Form of Letter of Credit

IRREVOCABLE STANDBY LETTER OF CREDIT NO. _____

ISSUE DATE: _____

APPLICANT

[Applicant Name]

[Applicant Address]

BENEFICIARY

[Beneficiary Name]

[Beneficiary Address]

ATTENTION: MR. XXX

EXPIRY DATE: *[insert date]*

CURRENCY

USD

AMOUNT

\$ *[insert amount]*

ASSOCIATED AGREEMENT

[Insert specific contract reference & date here]

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO: [_____] BY ORDER OF AND FOR THE ACCOUNT OF **[APPLICANT NAME]**, **[APPLICANT ADDRESS]** FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE [_____] AND [___]/100 UNITED STATES DOLLARS (USD[_____] ("ORIGINAL AMOUNT")) AVAILABLE BY YOUR DRAFT(S) AT SIGHT DRAWN ON **[NAME OF ISSUER]** ("ISSUER") LOCATED AT **[ISSUER ADDRESS]**.

THIS LETTER OF CREDIT IS PRESENTABLE AND PAYABLE AT OUR COUNTERS AND WE HEREBY ENGAGE WITH YOU THAT SIGHT DRAFTS PRESENTED AND DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT WILL BE DULY HONORED ON PRESENTATION WHEN ACCOMPANIED BY THE BELOW MENTIONED DOCUMENTS PURSUANT TO THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.

1. YOUR SIGNED AND DATED STATEMENT, IN THE FORM OF ANNEX 1 ATTACHED HERETO; AND
2. THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).

ADDITIONAL TERMS AND CONDITIONS:

1. THIS LETTER OF CREDIT IS EFFECTIVE FROM [_____, 20[___]] (Date of Issue) AND SHALL EXPIRE ON [_____, ____] AT OUR COUNTERS, PROVIDED THAT THIS LETTER OF CREDIT SHALL BE DEEMED TO BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE (1) YEAR FROM THE CURRENT EXPIRY DATE HEREOF, OR ANY FUTURE EXPIRY DATE, UNLESS AT LEAST SIXTY (60) DAYS PRIOR TO THE EXPIRY DATE WE NOTIFY YOU BY REGISTERED MAIL RETURN RECEIPT REQUESTED OR COURIER THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT EXTENDED FOR ANY SUCH ADDITIONAL PERIOD. UPON RECEIPT BY YOU OF SUCH NOTICE AND IF A SUBSTITUTE LETTER OF CREDIT IN FORM, SUBSTANCE AND AMOUNT ACCEPTABLE TO YOU IS NOT PROVIDED TO YOU BY OR ON BEHALF OF THE APPLICANT AT LEAST THIRTY (30) DAYS PRIOR TO THE THEN CURRENT EXPIRY DATE IN EFFECT AT THE TIME OF NOTICE, THEN YOU MAY DRAW UNDER THIS LETTER OF CREDIT UP TO THE AVAILABLE AMOUNT.
2. THE AMOUNT AVAILABLE TO BE DRAWN HEREUNDER AT ANY TIME ("AVAILABLE AMOUNT") SHALL BE EQUAL TO THE ORIGINAL AMOUNT LESS THE AGGREGATE AMOUNT OF ANY PRIOR PAID DRAWINGS HEREUNDER AT OUR COUNTERS.
3. ANY NUMBER OF PARTIAL DRAWINGS IS PERMITTED FROM TIME TO TIME UNDER THIS LETTER OF CREDIT.
4. A FAILURE TO MAKE ANY PARTIAL DRAWINGS AT ANY TIME SHALL NOT IMPAIR OR REDUCE THE AVAILABILITY OF THIS LETTER OF CREDIT IN ANY SUBSEQUENT PERIOD OR OUR OBLIGATION TO HONOR YOUR SUBSEQUENT DEMANDS FOR PAYMENT MADE IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.
5. IN THE EVENT OF A FULL OR FINAL DRAWING, THE ORIGINAL STANDBY LETTER OF CREDIT MUST BE RETURNED TO US BY OVERNIGHT COURIER.
6. PRESENTATION OF ANY DRAWING MAY BE MADE BY HAND-DELIVERY, EXPRESS COURIER, OR CERTIFIED MAIL AT THE FOLLOWING ADDRESS:

[Issuer]

[Issuer's Address]

PH: [() -]

ATTENTION: []

7. DRAWINGS PRESENTED BY FACSIMILE ("FAX") TO FAX NO.[_____] (EACH SUCH DRAWING, A "FAX DRAWING") ARE ALSO ACCEPTABLE PROVIDED THAT SUCH FAX PRESENTATION IS MADE ON OR BEFORE THE EXPIRY DATE A FAX DRAWING WILL NOT BE EFFECTIVELY PRESENTED UNTIL YOU CONFIRM BY TELEPHONE OUR RECEIPT OF SUCH FAX DRAWING BY CALLING US AT TELEPHONE NUMBER [_____] OR [_____].

8. IF A DRAWING IS MADE BY YOU HEREUNDER AT OR BEFORE 11:00 A.M., NEW YORK TIME, ON A BUSINESS DAY (AS HEREINAFTER DEFINED) IN CONFORMANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE MADE TO YOU IN IMMEDIATELY AVAILABLE FUNDS ON THE NEXT FOLLOWING BUSINESS DAY. IF A DRAWING IS MADE BY YOU HEREUNDER AFTER 11:00 A.M., NEW YORK TIME, ON A BUSINESS DAY IN CONFORMANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT, PAYMENT SHALL BE MADE TO YOU IN IMMEDIATELY AVAILABLE FUNDS ON THE SECOND BUSINESS DAY THEREAFTER.
9. THE TERM "BUSINESS DAY" AS USED HEREIN MEANS ANY DAY OTHER THAN (I) A SATURDAY, OR (II) A SUNDAY, OR (III) A DAY ON WHICH BANKING INSTITUTIONS LOCATED IN THE CITY OF NEW YORK, NEW YORK ARE REQUIRED OR AUTHORIZED BY LAW TO BE CLOSED.
10. THIS LETTER OF CREDIT MAY BE TERMINATED UPON ISSUER'S RECEIPT OF A WRITTEN RELEASE FROM THE BENEFICIARY RELEASING THE ISSUER FROM ITS OBLIGATIONS UNDER THIS LETTER OF CREDIT ALONGWITH THE ORIGIAL OF THIS LETTER OF CREDIT.
11. APPLICANT'S FILING OF A BANKRUPTCY, RECEIVERSHIP OR OTHER DEBTOR-RELIEF PETITION, AND/OR APPLICANT'S DISCHARGE THEREUNDER, SHALL IN NO WAY AFFECT THE LIABILITY OF THE ISSUER UNDER THIS LETTER OF CREDIT AND, AS A RESULT, THE ISSUER SHALL ALWAYS REMAIN LIABLE TO THE BENEFICIARY FOR THE FULL AMOUNT OF THIS LETTER OF CREDIT, NOTWITHSTANDING SAID BANKRUPTCY, RECEIVERSHIP, PETITION OR DISCHARGE - NOT TO EXCEED THE AVAILABLE AMOUNT OF THIS LETTER OF CREDIT.
12. ALL COMMISSIONS AND OTHER BANKING CHARGES WITH RESPECT TO THIS LETTER OF CREDIT WILL BE BORNE BY THE APPLICANT.
13. WITH THE EXCEPTION OF INCREASES THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE BENEFICIARY AND THE ISSUER.
14. THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED OR ASSIGNED.
15. THIS LETTER OF CREDIT IS IRREVOCABLE.
16. NOTWITHSTANDING ANY PROVISION OF THIS LETTER OF CREDIT TO THE CONTRARY, SHOULD THIS LETTER OF CREDIT EXPIRE OR TERMINATE ON A DATE THAT THE ISSUER'S LOCATION IS CLOSED DUE TO AN INTERRUPTION OF THE ISSUER'S BUSINESS CAUSED BY AN ACT OF GOD, WEATHER-RELATED EVENT, RIOT, CIVIL COMMOTION, INSURRECTION, ACT OF TERRORISM, WAR, DECLARED OR UNDECLARED, OR ANY CAUSE BEYOND THE ISSUER'S CONTROL, THEN THE TERMS OF THIS LETTER OF CREDIT WILL AUTOMATICALLY BE EXTENDED FOR AN ADDITIONAL PERIOD EQUAL TO THIRTY (30) CALENDAR DAYS, FOLLOWING THE DAY ON WHICH THE ISSUER RESUMES ITS BUSINESS AFTER THE CAUSE OF SUCH INTERRUPTION HAS BEEN REMOVED OR ELIMINATED, AND, AS A RESULT,

ANY DRAWING ON THIS LETTER OF CREDIT WHICH COULD PROPERLY HAVE BEEN MADE, BUT FOR SUCH INTERRUPTION, SHALL BE PERMITTED DURING SUCH EXTENDED PERIOD.

17. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 ("ISP98") OR SUCH LATER REVISION (S) OF THE INTERNATIONAL STANDBY PRACTICES AS MAY BE HEREAFTER ADOPTED. AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK.

18. PLEASE DIRECT ANY WRITTEN CORRESPONDENCE, INCLUDING DRAWING OR INQUIRIES TO:

[Issuer]

[Issuer Address]

PH: [() -]

ATTENTION: _____

19. NOTICE TO BENEFICIARY. ALL NOTICES OR NOTIFICATIONS TO THE BENEFICIARY PURSUANT TO THIS IRREVOCABLE STANDBY LETTER OF CREDIT SHALL BE PROVIDED BY REGISTERED MAIL RETURN RECEIPT REQUESTED OR BY COURIER (WITH WRITTEN ACKNOWLEDGMENT OF RECEIPT BY THE BENEFICIARY) AS FOLLOWS:

TO THE BENEFICIARY:

TOWN OF ANTRIM
ATTN: TOWN ADMINISTRATOR
ATTN: BOARD OF SELECTMEN
P.O. BOX 517, 66 MAIN STREET
ANTRIM, NH 03440
(603) 588-6785

WITH A COPY TO LEGAL COUNSEL FOR THE BENEFICIARY:

UPTON & HATFIELD, LLP
ATTN: COUNSEL FOR TOWN OF ANTRIM
10 CENTRE STREET, P.O. BOX 1090
CONCORD, NH 03302-1090
(603) 224-7791

NOTICE TO THE BENEFICIARY SHALL BE EFFECTIVE AS OF THE DATE OF DELIVERY IN ACCORDANCE WITH THIS SECTION.

AUTHORIZED SIGNATURE: _____

TITLE: _____

ANNEX 1 TO LETTER OF CREDIT

DRAWING UNDER LETTER OF CREDIT NO. _____

DATE: _____

TO: **[Issuer]**
[Issuer Address]

ATTENTION: STANDBY LETTER OF CREDIT UNIT

LADIES AND GENTLEMEN:

THE UNDERSIGNED HEREBY DRAWS ON THIS LETTER OF CREDIT BECAUSE OF ONE OR MORE OF THE FOLLOWING REASONS:

(A) THE AMOUNT FOR THIS DRAWING, USD **[INSERT AMOUNT]**, BEING MADE UNDER THE **[Issuer Name]** (“ISSUER”) LETTER OF CREDIT NUMBER **[INSERT LETTER OF CREDIT REFERENCE NUMBER]**, REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY FROM APPLICANT UNDER AND/OR IN CONNECTION WITH **[ASSOCIATED AGREEMENT REFERENCE]** RELATED TO **[BRIEF DETAILS OF THE UNDERLYING TRANSACTION]**, OR

(B) THE AMOUNT FOR THIS DRAWING, USD **[INSERT AMOUNT]**, IS BEING MADE UNDER THE **[ISSUER NAME]** (“ISSUER”) LETTER OF CREDIT NUMBER **[INSERT LETTER OF CREDIT REFERENCE NUMBER]** BECAUSE THE ISSUER HAS NOTIFIED THE BENEFICIARY THAT (I) IT HAS ELECTED NOT TO CONSIDER THIS LETTER OF CREDIT EXTENDED, (II) NO SUBSTITUTE LETTER OF CREDIT IN FORM, SUBSTANCE AND AMOUNT ACCEPTABLE TO BENEFICIARY HAS BEEN PROVIDED BY APPLICANT, AND (III) THE CURRENT EXPIRY DATE OF THIS LETTER OF CREDIT IS WITHIN THIRTY (30) DAYS.

VERY TRULY YOURS,

[Beneficiary Entity]

BY: _____
NAME: _____
TITLE: _____
DATE: _____