LETTER OF CREDIT – SAMPLE FORM

(PLACE ON BANK'S LETTERHEAD STATIONERY)

Date _____

Montgomery County, Maryland
Department of Permitting Services
2425 Reedie Dr, 7th Floor
Wheaton, MD 20902

Re: Irrevocable Letter of Credit No._____
_____(Permittee)_____ Expiration Date: (2 years)
_____(Address)_____

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)**

☐ (Name of Permittee)_____failed to complete the work authorized under Permit No. _____in ___(Subdivision Name)_____ Subdivision in accordance with Section 8-27 of the Montgomery County Code, 2014, as amended, and failed to safely demolish the building or structure or clear the site described in the permit. **[FOR DEMOLITION PERMIT]** or

☐ (Name of Permittee)_____ 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, 2014, 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 @ (2007 Revision or the most recent revision), International Chamber of Commerce Publication No. 600. 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 Title 5 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)_____