

Appendix B

IRREVOCABLE STANDBY LETTER OF CREDIT NO. #

DATE:

IN FAVOR OF (BENEFICIARY):

City of Hendersonville
Attn: Planning Department
101 Maple Drive North
Hendersonville, TN 37075

FOR ACCOUNT OF (APPLICANT):

AMOUNT:

We hereby establish our Irrevocable Standby Letter of Credit (hereinafter "Credit") in you favor available by your draft(s) drawn at SIGHT on (Name of Bank) and accompanied by the documents specified below:

1. Certificate of default, signed by the Chairman of the Hendersonville Regional Planning Commission or the Mayor of the City of Hendersonville, certifying that: The applicant has not completed, in accordance with the Hendersonville Subdivision Regulations and the attached Development Agreement, the streets, water lines, sewer lines and/or other improvements required by said subdivision regulations for (name of subdivision including phase and/or section) approved by Hendersonville Regional Planning Commission on (date approved), which approval was conditioned upon the completion of the said improvements. The certificate shall also state the approximate dollar amount of damage to the City which amount shall be identical to the face amount of the accompanying draft.
2. Original Letter of Credit and Amendments if any.

This Letter of Credit is valid for an initial period of one (1) year and shall be automatically renewed for successive periods of one (1) year without any effort on the part of the City. We reserve the right to revoke this Letter of Credit, but only after providing the Beneficiary with 90 days notice by certified mail, return receipt requested.

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NO.# _____

All drafts must be marked: "Drawn under (Name and Address of Bank). Credit No.# _____.

Except so far as otherwise expressly stated this Credit is subject to International Standby Practices/ISP 98, International Chamber of Commerce Publication No. 590.

We hereby engage with you that all drafts drawn under and in compliance with the terms of this Credit will be duly honored if drawn and presented for payment on or before the expiration date of this Credit at (name and address of local branch bank – must be within 75 miles of City Hall, Hendersonville, TN). The local branch bank shall simultaneously submit the Certificate of Default and Draft by facsimile or e-mail to (Bank's Letter of Credit Department facsimile number or e-mail address). The City may elect to submit the Certificate of Default and Draft directly to the Bank at the above stated facsimile number or e-mail address. The bank shall wire the funds to the City's account within two (2) business days.

Signed by Officer of Bank with Title