

(MUST BE ON BANK LETTERHEAD)

IRREVOCABLE LETTER OF CREDIT

Issue Date: _____

Irrevocable Letter of Credit # _____

Beneficiary:
Town of Collierville
500 Poplar View Parkway
Collierville, TN 38017

Applicant:
Name _____
Street Address _____
City, State & Zip _____

Amount: _____

Expiration Date: _____

Development Contract: _____

Issuance. At the request and for the account of _____ ("Applicant"),
_____ ("Issuer") issues this irrevocable independent
standby letter of credit number _____ ("Standby") in favor of the Town of
Collierville ("Beneficiary" or "Town") in the maximum aggregate amount of USD
_____.

Undertaking. Issuer undertakes to Town to pay Town's demand for payment for an amount
available under this Standby and in the form of Annex A completed as indicated and presented
to Issuer at the following place for presentation: _____,
at or before the close of business on the expiration date.

Overdrawing. If a demand exceeds the amount available, but the presentation otherwise
complies, Issuer undertakes to pay the amount available.¹

Expiration. This Letter of Credit shall expire upon the satisfaction in full of the aforesaid
Development Contract.

Automatic Extension. The expiration date of this Standby shall be automatically extended for
successive one-year periods, unless ninety (90) or more calendar days before the then current
expiration date Issuer gives written notice to Town that Issuer elects not to extend the expiration
date. Issuer's written notice must be sent by certified mail, return receipt requested, to Town's
above-stated address and to the attention of _____. This Letter of
Credit is automatically renewable for additional one-year periods without any effort on the part
of the Town until the aforesaid development contract is satisfied in full. Any pending automatic
one-year extension shall be ineffective beyond that date.

Payment. Payment against a complying presentation shall be made by Issuer within three (3)
business days after presentation at the place for presentation or by wire transfer to a duly
requested account of Town.

ISP98. This Standby is issued subject to the International Standby Practices 1998 (ISP98)
(International Chamber of Commerce Publication No. 590).

Issuer's Charges and Fees. Issuer's charges and fees for issuing, amending, or honoring this
Standby are for Applicant's account and shall not be deducted from any payment Issuer
makes under this Standby.

Communications. Communications other than demands may be made to Issuer in the manner and at the place for presentation and also as follows: _____.
Communications other than for notices of non-extension may be made to Town at its above-stated address and also as follows: _____.

Litigation. Issuer and Town agree that the sole and exclusive venue for any litigation with regard to and/or arising out of this Letter of Credit shall be before a court of competent jurisdiction in Shelby County, Tennessee. Issuer expressly consents to the personal jurisdiction of said courts over it and hereby formally waives any personal jurisdiction challenge it might otherwise have.

Signature: _____
Official Issuer Representative

SAMPLE

Annex A: Payment Demand

[INSERT DATE]

[name and address of Issuer at place of presentation as stated in Letter of Credit]

Re: Standby Letter of Credit No. _____, dated _____, issued by
_____.

The undersigned Beneficiary, the Town of Collierville, Tennessee, demands payment of USD
_____ under the Letter of Credit.

Beneficiary states that Applicant is obligated to pay to Beneficiary the amount demanded as
provided in Development Contract _____.

Beneficiary requests that payment be made by wire transfer to an account of Beneficiary as
follows: _____.

Town of Collierville, Tennessee

By its authorized officer:
