

[Bank Letterhead]

(Issuance Date: \_\_\_\_\_)

Culpeper County Board of Supervisors  
Planning and Zoning Department  
302 N. Main Street  
Culpeper, Virginia 22701

Re: Letter of Credit Number \_\_\_\_\_

Project Name: \_\_\_\_\_

We hereby establish an irrevocable and unconditional LETTER OF CREDIT in your favor in the sum of \_\_\_\_\_ (\$\_\_\_\_\_) available by your draft or drafts, which may be drawn hereunder in part or whole up to maximum total draw of \_\_\_\_\_ (\$\_\_\_\_\_) for improvements to be installed and constructed in the development known as \_\_\_\_\_ as designated in the Agreement between \_\_\_\_\_ and Culpeper County, dated \_\_\_\_\_, a copy of which is hereto attached as Exhibit A.

All drafts drawn hereunder must be marked "drawn under LETTER OF CREDIT" number \_\_\_\_\_, of \_\_\_\_\_, dated \_\_\_\_\_." Drafts drawn pursuant to this Letter of Credit must be accompanied by certification from the Culpeper County Zoning Administrator that improvements have not been completed in accordance with the terms and conditions of the agreement, dated \_\_\_\_\_ by and between \_\_\_\_\_ and Culpeper County. Copies of this Letter of Credit are acceptable for drafts unless the entire remaining balance is being drawn. Drafts may be presented via overnight delivery service.

We hereby agree that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored when presented at \_\_\_\_\_ on or before \_\_\_\_\_. If necessary, this Letter of Credit shall then renew automatically for successive one-year terms on the anniversary of the initial expiration date unless \_\_\_\_\_ gives at least ninety (90) days prior written notice to the Culpeper County Zoning Administrator, 302 North Main Street, Culpeper, VA 22701, with a copy to Culpeper County Attorney, 306 North Main Street, Second Floor, Culpeper, VA 22701, both by certified mail, return receipt requested, of its intent to terminate same at the expiration of the ninety (90) day period. Otherwise, this Letter of Credit shall terminate in one of the following ways: (1) upon the expiration date of this letter or any subsequent auto-renewed extension as set forth above; or (2) prior to such expiration date, upon the Zoning Administrator giving a written, signed, and dated release to \_\_\_\_\_ stating that \_\_\_\_\_ has fulfilled the obligations of the Agreement, with a copy of such release provided directly to \_\_\_\_\_.

This Letter of Credit is subject to and governed by the laws of the Commonwealth of Virginia, and venue shall be proper in the circuit court of Culpeper County, Virginia.

**(Name of Financial Institution)**

By: \_\_\_\_\_

**(Name of Authorized Signature)**

Its: \_\_\_\_\_

(title)

SEAL:

**LETTER OF CREDIT  
CHECKLIST**

**Applicant:** \_\_\_\_\_

**Initial:**

\_\_\_\_\_ The lending institution shall guarantee payment of funds in an amount equal to the approved estimated cost of completing all required improvements.

\_\_\_\_\_ The letter of credit may not be withdrawn or reduced in amount until released by the Planning and Zoning Department.

\_\_\_\_\_ The performance agreement involved must contain a performance date which is a minimum of 90 days prior to expiration of the letter of credit. The letter of credit must be irrevocable during any such period.

\_\_\_\_\_ The letter of credit received must renew automatically on its expiration date unless the County is notified 90 days in advance. --- "*Evergreen Clause*"

\_\_\_\_\_ The name of the project on Letter of Credit matches name of project on performance agreement.

\_\_\_\_\_ Written dollar amount must match numerical amount.

\_\_\_\_\_ All named parties, references and dates must exactly match across all documents.