

(Financial Institution Letterhead)

(Date)

The City of Granbury
c/o The Community Development Department
P.O. Box 969
116 W. Bridge Street
Granbury, Texas 76048

Re: Irrevocable Letter of Credit No. _____

We hereby establish our Irrevocable Letter of Credit in your favor to authorize you to draw upon us, up to an aggregate amount of *(100% of the cost of improvements and facilities [\$XX,XXX.XX])*. This Letter of Credit is for the account of *(Name of Developer)* and is payable to the City of Granbury upon receipt of sight draft(s) from the City of Granbury drawn upon *(name of financial institution)* containing a written statement purportedly signed by the beneficiary's City Manager or an authorized representative of the Beneficiary in the sustentative form attached as Exhibit 'A', with appropriate insertions. *(Name of financial institution)* will then issue a check(s) payable to the City of Granbury for the purpose of *(itemize the type of improvements and facilities to be done)*. Said sight drafts will be paid at *(name of financial institution)*.

This Letter of Credit will apply to the total amount of *(100% of the cost of improvements and facilities [\$XX,XXX.XX])*, and will be in effect until *(100% of the cost of improvements and facilities [\$XX,XXX.XX])* has been disbursed for the construction of the *(itemize the type of improvements and facilities to be done)*, or until *(two years from FIA approval [Date, 20XX])*, whichever comes first.

This Letter of Credit is issued to the City of Granbury in reference to *(Name of Subdivision)*, for the insurance and construction of the improvements and facilities itemized in the Facilities Improvements Agreement for the *(Name of Subdivision)*.

We hereby assert and promise that all draft(s) drawn under and in compliance with this Letter of Credit will be duly honored upon presentation to *(name of financial institution)* on or before the expiration date.

Except so far as otherwise expressly stated, this Letter of Credit shall be governed by the Uniform Customs and Practice for Documentary Credits, 2006 Revision, International Chamber of Commerce Publication No. 600 (UCP), or any later version or amendment.

Sincerely,

(name of financial institution)
Name of Officer
(Executive Vice-President)

Exhibit 'A'

(Date)

(name of financial institution)

(address)

(PO Box No.)

(City, State Zip)

To Whom It May Concern:

This draft is drawn under Irrevocable Letter of Credit No. _____ issued by (name of financial institution), dated _____, in the amount of _____ Dollars (\$XX,XXX.XX). The undersigned hereby states that the amount of \$_____ Dollars) is payable to the City of Granbury for the completion of the construction of the (Name of Subdivision). The amount demanded hereunder includes only the amounts authorized by the terms of said Irrevocable Letter of Credit No. _____

I hereby request that you immediately remit the above amount to the undersigned.

Sincerely,

(authorized representative)
City of Granbury