

FIGURE 14
LETTER OF CREDIT
(Procedure B)

[Federally Insured Financial Institution letterhead]
[Date] _____, 20 ____

IRREVOCABLE LETTER OF CREDIT AND AGREEMENT NO. _____
AMOUNT: \$ _____

Robert J. Perry
Chief Administrative Officer
City of Albuquerque
P. O. Box 1293
Albuquerque, NM 87103

Re: Letter of Credit for [Subdivider's name as stated in Agreement to Construct Subdivision Improvements:] _____
City of Albuquerque Project No.: _____
Project Name: _____

Dear Mr. Perry:

This letter is to advise the City of Albuquerque ("City") that, at the request of [Subdivider's name as stated in Agreement to Construct Subdivision Improvements:]

("Subdivider"), [Financial Institution] _____
in [city] _____ [state] _____, has established an Irrevocable Letter of Credit in the sum of [written amount] _____ ([amount in figures] \$ _____) ("Letter of Credit") for the exclusive purpose of providing the financial guarantee which the City requires [Subdivider] _____ to provide for the installation of the improvements which must be constructed at [Name of Subdivision] _____, Project No. _____ ("Project"). The amount of the Letter of Credit is 125% of the City's estimated cost of construction of improvements as required by the City's Subdivision Ordinance. The improvements are identified in the agreement between the City of Albuquerque and Subdivider, which was recorded on [date, leave blank] _____, _____ in the records of the Clerk of Bernalillo County, New Mexico in Book Misc. [leave blank] _____, at pages [leave blank] _____ to [leave blank] _____, as amended ("Agreement").

A draft or drafts for any amount up to, but not in excess of [written amount] _____ ([amount in figures] \$ _____) is/are available at sight at [Financial Institution] _____ [street address] _____, [city] _____ [state] _____ between [Construction Completion Deadline date established in Agreement] _____, 20__ and [60 days thereafter] _____, 20 ____.

When presented for negotiation, the draft(s) is/are to be accompanied by the City's notarized certification stating: "1) [Subdivider] _____ has failed to comply with the terms of the Agreement; 2) the undersigned is the Chief Administrative Officer of the City of Albuquerque and is authorized to sign this certification; and 3) the amount of the draft does not exceed 125% of the City's estimated cost of completing the improvements specified in the Agreement."

We hereby agree with the drawer of draft(s) drawn under and in compliance with the terms of this credit that such draft(s) will be duly honored upon presentation to the drawee if negotiated between [Construction Completion Deadline date established in Agreement:] _____, 20____ and [60 days thereafter] _____, 20_____.

The draft(s) drawn under this credit must contain the clause: "Drawn under Letter of Credit and Agreement No. _____ of [Financial Institution] _____ [city] _____, [state] _____, dated _____, 20__" and the original Letter of Credit must be endorsed on the reverse side with the amount of each draft. This Letter of Credit must accompany each draft and be attached to the draft which exhausts this credit.

This Letter of Credit for the benefit of the City of Albuquerque shall be irrevocable until:

1. Sixty (60) days after the City accepts the completed improvements specified in the Agreement; or
2. City notification of [Subdivider] _____'s failure to comply with the terms of the Agreement, and payment by Certified Check from [Financial Institution] _____ to the City of Albuquerque of 125% of the City's estimated costs of completing the improvements specified in the Agreement; or
3. Expiration of the date [60 days after the Construction Completion Deadline date] _____, 20____; or
4. Written termination of this Letter of Credit by the City of Albuquerque, signed by its Chief Administrative Officer.

This Letter of Credit will terminate at _____ o'clock p.m., New Mexico time, [date 60 days after Construction Completion Deadline] _____, 20_____.

This credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600.

Very truly yours,

[Financial Institution]
By: _____
Print Name: _____
Title: _____
Date: _____

ACCEPTED:

CITY OF ALBUQUERQUE

By: _____
Robert J. Perry
Chief Administrative Officer

Date: _____