

LETTER # \_\_\_\_\_

TO: LACONIA WATER WORKS  
P.O. BOX 6146  
LAKEPORT, NEW HAMPSHIRE 03246  
603-524-0901

IRREVOCABLE LETTER OF CREDIT

We hereby authorize you to draw on the \_\_\_\_\_  
drafts at sight for any sum or  
sums not exceeding the total of \_\_\_\_\_  
for the account of \_\_\_\_\_ with a place  
of business in \_\_\_\_\_.

This letter of credit is given to provide security for the  
construction of \_\_\_\_\_ as called for by  
a certain contract and plans between the Laconia Board of Water  
Commissioners \_\_\_\_\_ and \_\_\_\_\_  
Dated \_\_\_\_\_, Entitled \_\_\_\_\_  
Prepared by \_\_\_\_\_, Dated \_\_\_\_\_  
and \_\_\_\_\_.

Drafts must be accompanied by certification stating  
completion and maintenance of the proposed work in accordance  
with all city codes, regulations, ordinances, or the like, and in  
accordance with the approved plan has not been completed per  
specifications. Due credit shall be given for work completed in  
the event a draw is made on the account.

All drafts must be marked \_\_\_\_\_, Letter of Credit No. \_\_\_\_\_,  
dated \_\_\_\_\_.

The amount of each draft drawn on this Letter of Credit must  
be endorsed hereon and the presentation of each draft, as  
negotiated, shall be a warranty by the bank that such endorsement  
has been made and that documents have been forwarded as herein  
required; if the draft is not negotiated, this Letter of Credit  
must accompany the draft.

We hereby engage with the drawers, endorsers, and bona fide  
holders of drafts drawn under and in compliance with the terms of  
this Letter of Credit that the same shall be duly honored on due

presentation and delivery of documents as specified and negotiated or presented on or before \_\_\_\_\_  
[A minimum of 12 months letter of credit will be required. The letter of credit shall expire 30 days after the contract completion date in the Laconia Water Works Contract with \_\_\_\_\_, the Developer and \_\_\_\_\_, the Contractor].

This Letter of Credit is given to provide security for performance of the obligation of \_\_\_\_\_ and \_\_\_\_\_ to complete the water main, \_\_\_\_\_ and \_\_\_\_\_ required to be secured by the approval of the Laconia Planning Board and the Laconia Water Works, specifically:

1. As work is commenced and undertaken on the \_\_\_\_\_, the claim of the Laconia Water Works against the outstanding amount of the Letter of Credit will be reduced in an amount equal to the monies actually spent on the improvements actually made, and in the event the Laconia Water Works exercises its right to claim the Letter of Credit, any balance resulting from a reduction in the Laconia Water Works claim shall be returned to the undersigned.

The maximum draw-down under this Letter of Credit shall not exceed eighty-five percent (85%) of the total Letter of Credit until such time as all of the requirements of the contract between the Laconia Board of Water Commissioners and \_\_\_\_\_ have been met and the water main extension is accepted in full by the Laconia Water Works.

2. Credit reduction shall be permitted based on construction completed and approved by the Laconia Water Works.

This Letter of Credit is Irrevocable.

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

Its: \_\_\_\_\_  
duly authorized