

**TOWN OF HOLLY SPRINGS**  
**Model Irrevocable Standby Letter of Credit for**  
**S/Development Projects Improvement Agreement (S/DPIA)**

Beneficiary:  
Town of Holly Springs  
Attn: Engineering Department  
128 S. Main Street  
Holly Springs, NC 27540

***Town Use Only***

S/DPIA Number \_\_\_\_\_

S/DPIA Date: \_\_\_\_\_

Amount ("Penal Sum")\$ \_\_\_\_\_

We, \_\_\_\_\_ [Name of Institution AND Address\_] hereby issue our Irrevocable Standby Letter of Credit number \_\_\_\_\_ in your favor for the account of \_\_\_\_\_ [Developer Name], for the amount listed above. This Irrevocable Standby Letter of Credit secures the obligations of \_\_\_\_\_ [Developer Name] under a S/Development Project Improvement Agreement ("S/DPIA") between the Town and \_\_\_\_\_ [Developer Name].

This amount is available upon presentation of your sight draft drawn upon us, and accompanied by the following:

A statement signed by the beneficiary that \_\_\_\_\_ [Developer Name] has defaulted under the terms of the bond estimate covering the construction that (has or has not been completed) in the Project Name S/DPIA. The default amount is limited to the Engineer's Estimate contained in the S/DPIA."

Note: Please see attached Engineer's Estimate and attached S/DPIA

This Letter of Credit will continue in full force and effect for the duration of the effective date of the S/DPIA.

All drafts drawn under this Letter of Credit must contain the following statement: "Drawn under \_\_\_\_\_ [Name of Institution] Irrevocable Letter No. \_\_\_\_\_ dated \_\_\_\_\_."

This Letter of Credit is irrevocable, unconditional, nontransferable, and non-assignable. We hereby agree that sight drafts drawn under, and in compliance with, the terms of this Letter of Credit will be duly honored at:

Name of Institution \_\_\_\_\_  
Address \_\_\_\_\_  
City, State Zip Code \_\_\_\_\_

The undersigned hereby waives personal presentment of this original Letter of Credit from the Beneficiary if the address in the preceding paragraph is greater than 25 miles from 128 South Main Street, Holly Springs, NC 27540.

Signed, Sealed, and Dated this \_\_\_\_ day of \_\_\_\_\_, 20 \_\_\_\_

Principal [Signature of Financial Institution]

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