INSTRUCTIONS FOR LETTERS OF CREDIT

A Letter of Credit must be executed on the letterhead of the financial institution and it must be worded as provided in the attached form Letter of Credit. The issuing institution must be a bank or financial institution that has the authority to issue Letters of Credit and whose Letter of Credit operations are regulated and examined by a federal or state agency.

The Letter of Credit is irrevocable. A Letter of Credit issued in connection with a Public Works Agreement must be issued for a period of at least two years. The term of other Letters of Credit is governed by the applicable agreement or by governing law.

The Letter of Credit provides for an automatic extension for periods of one year unless, not less than 120 days before the current expiration date (first expiration date or successive expiration date) the issuing institution notifies the Controller of Anne Arundel County by certified mail of a decision not to extend the expiration date. The 120 days begins to run after the Controller has received the notice as evidenced by the return receipt.

If the Applicant does not establish alternate financial assurance and obtain written approval of that alternate assurance from the Controller within 90 days after the Controller received the cancellation notice, the Controller will draw on the Letter of Credit. Drawing on the Letter of Credit may be delayed if the issuing institution grants an extension of the terms of the credit. The Controller also may draw on the Letter of Credit for a default by the Applicant under the agreement to which the Letter of Credit relates.

[Date]

ANNE ARUNDEL COUNTY, MARYLAND
c/o Controller, Office of Finance
44 Calvert Street
Arundel Center
Annapolis, Maryland 21401

Re: Irrevocable Letter of Credit No. _____
_____, Applicant
Amount: _____
Expiration Date: _____
Beneficiary: Anne Arundel County, Maryland

Anne Arundel County, Maryland:

We hereby issue our irrevocable Letter of Credit #_____ in your favor on behalf of [applicant name], referred to in this Letter of Credit as the Applicant, for a sum of $ _____ (_____ and _____/100 Dollars), available by your drafts at sight drawn on our institution, [name of institution], marked "Drawn under [name of institution] Letter of Credit # _____ dated [effective date]."

We are a bank or financial institution that has the authority to issue Letters of Credit. Our Letter of Credit operations are regulated and examined by [name of federal or state agency].

This Letter of Credit is issued to provide financial assurance to Anne Arundel County, Maryland for (name and describe agreement or permit and list the agreement or permit number].

This Letter of Credit shall expire on _____ but the expiration date shall be automatically extended without notification for successive periods of one year, unless, not less than 120 days before the expiration date, you receive a notification from us by certified mail of our decision not to extend the current expiration date.

You may draw on this Letter of Credit upon a written certification by the Controller of Anne Arundel County, Maryland stating that the Applicant has failed to properly execute its responsibilities under the (named and described agreement) You also may draw on this Letter of Credit upon a written certification by the Controller of Anne Arundel County, Maryland stating that the Applicant failed to provide you with an acceptable replacement Letter of Credit, or another type of financial assurance acceptable to you, within 90 days after receipt by you of a notice from us that we have decided not to extend this Letter of Credit beyond its current expiration date. Partial drawings are permitted.

We shall honor drafts drawn under and in compliance with the terms of this Letter of Credit and these drafts will be duly honored upon presentation to us if presented on or after the effective date of this Letter of Credit and before its expiration date or any automatically extended date as provided in this Letter of Credit.

This Letter of Credit is governed by the laws of the State of Maryland and any litigation relating to it shall be instituted in the courts of the State of Maryland.

We certify that this Letter of Credit is in accord with the format of Anne Arundel County, Maryland, as of the date shown immediately below.

[Institution]_____
[Address, City, State]_____
[Signature]_____
[Name and Title]_____
[Date]_____