

Letter of Credit Information Sheet

In 1994, St. Louis County (County) started using a two-agreement system to guarantee installation of improvements. The Developer establishes a Deposit Agreement with the County for one, two, or three years, and in this agreement, the developer agrees to install required improvements by a specific date. The second agreement is the letter of credit. Although the developer pays for the letter of credit, the letter of credit is made payable to the County. When issuing a letter of credit be aware of the following:

- Page two (2) seventh paragraph contains two places for the bank to enter dates. On the second line of that paragraph there is a space for an “Expiration Date”. This date is usually one year after the letter of credit is issued or another date within a similar time period that coincides with the bank’s internal review process. The “Final Expiration Date” (found in the last sentence of this same paragraph) of the letter of credit must extend six (6) **months beyond the term of the Deposit Agreement**. The bank should always ask the developer about the term of the Deposit Agreement, 1, 2, or 3 years, and make sure the “Final Expiration Date” (page 2 seventh paragraph) of the letter of credit is at least six (6) months beyond the term of the Deposit Agreement.
- The County must have the original letter of credit and four (4) copies of the executed Deposit Agreement before these two agreements can be sent to the County Council for approval. These documents need to be reviewed and signed by County officials; therefore, these documents must be submitted to the St. Louis County Department of Planning by 5:00 pm Wednesday to insure they satisfy the Friday noon Council agenda deadline.
- The first page of the letter of credit must be on **bank letterhead** or on safety paper with a bank logo. The authorized signature must be acknowledged by a notary.

If additional information is necessary please call the Department of Planning at 314-615-2520.

FORM OF LETTER OF CREDIT

NAME OF ISSUING BANK

Bank Address

_____, 20__

IRREVOCABLE LETTER OF CREDIT NO. _____

St. Louis County, Missouri
County Government Center
41 South Central
Clayton, Missouri 63105
Attention Treasurer's Office

Expiration Date:

Final Expiration Date:

Dear Sirs:

We hereby establish in favor of St. Louis County, Missouri, (hereafter referred to as "St. Louis County," "you" or "Beneficiary"), for the account of ***Account Party***, ***Account Party Address*** (hereafter referred to as the "Account Party") our transferable irrevocable standby Letter of Credit (the "Letter of Credit") in the amount of \$ _____ (the "Maximum Available Credit"), subject to the reduction as hereinafter set forth.

This Letter of Credit is issued with respect to a development in St. Louis County, Missouri, known as _____ approved by you ("Plat Approval") for the benefit of the Account Party.

Subject to all of the terms and conditions of this Letter of Credit, the Maximum Available Credit shall be made available by your draft(s) at sight drawn on us accompanied by this Letter of Credit, any amendments thereto, and any of the following certificates:

1. Your signed certificate, in the form attached hereto as Exhibit A, dated not more than ten days prior to its presentation to us; or
2. Your signed certificate, in the form attached hereto as Exhibit B, dated not more than ten days prior to its presentation to us; or
3. Your signed certificate, in the form attached hereto as Exhibit C, dated not more than ten days prior to its presentation to us.

No draft will be paid if the amount thereof is in excess of the Maximum Available Credit hereunder as of the date such draft is to be paid.

Multiple drawings may be presented under this Letter of Credit, which, in the aggregate and subject to the limitations set forth herein, shall not exceed the Maximum Available Credit then in effect and each such drawing honored by us hereunder shall reduce the Maximum Available Credit by the amount of such drawing. The draft(s) drawn under this Letter of Credit must be drawn and presented to our offices at ***Bank Address***, Attention: _____ (or such other officer, department or address designated in writing by us to you at your address shown above or at such other address as you shall advise us of in writing) by hand delivery or by delivery by courier between 9:00 a.m. and 4:30 p.m. (St. Louis, Missouri time) on a Business Day. As used in this Letter of Credit, "Business Day" shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of Missouri are authorized or required by law to close.

We hereby agree that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored by us upon delivery of any of the certificate(s) specified above and if presented at our aforesaid office on or before the later of the Expiration Date or the Final Expiration Date, as these terms are defined below.

If demand for payment is made hereunder in strict conformity with the terms and conditions of this Letter of Credit before 11:00 a.m. (St. Louis, Missouri time) on any Business Day, payment of the amount demanded shall be made in immediately available funds not later than 1:00 p.m. (St. Louis, Missouri time) on the third succeeding Business Day.

Payment under this Letter of Credit to you shall be made by wire transfer of immediately available funds per your instructions.

Only you or a transferee may make drawings under this Letter of Credit. Upon payment as provided above of the amount specified in a sight draft drawn hereunder, the Maximum Available Credit of the Letter of Credit shall be reduced by the amount of the payment.

If demand for payment does not conform to the terms and conditions of this Letter of Credit, we will promptly notify you thereof and of the reasons therefore, such notice to be promptly confirmed in writing to you, and we shall hold all documents at your disposal or return the same to you, if directed by you.

This Letter of Credit is effective immediately and expires on the earliest of (i) 4:00 p.m. (St. Louis, Missouri time) on _____, _____, (the "Expiration Date") ***as such date may be extended as hereinafter provided*** (ii) when you have drawn and we have paid to you the Maximum Available Credit of this Letter of Credit or (iii) the day on which this Letter of Credit is surrendered to us for cancellation; provided, however, notwithstanding the termination by expiration of this Letter of Credit our payment obligation shall survive such expiration with respect to any sight drafts accompanied by a certificate in the form of Exhibits A, B or C, as the case may be, presented to us for payment prior to the expiration of this Letter of Credit. It is a condition of this Letter of Credit that it shall be deemed automatically extended, without amendment for one year from the present or any future Expiration Date hereof, unless at least 75 days prior to any such date, we shall send you, in the form attached hereto as Exhibit D, notice that we elect not to consider this Letter of Credit renewed for such additional one-year period. This Letter of Credit will expire in full and finally on _____, _____, _____ (the "Final Expiration Date").

This Letter of Credit may be amended at the request of the Account Party. Such amendment shall be sent to you in the form attached hereto as Exhibit G.

Upon our receipt, from time to time, from you of a written reduction certificate in the form attached as Exhibit E, we are authorized to reduce the Maximum Available Credit hereunder by the amount stated in such certificate, any such reduction to be effective only at our close of business on

the date on which we receive such written reduction certificate.

This Letter of Credit shall be governed by the laws of the State of Missouri, but subject, however, to the Uniform Customs and Practices for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600, but excluding the provisions of Article 32 thereof. Any dispute or litigation will be conducted in a St. Louis County Missouri Court or location designated by the St. Louis County Counselor.

Any communications with respect to this Letter of Credit shall be in writing and shall be addressed to us at ***Bank Address*** Attention: _____, specifically referring thereon to Irrevocable Letter of Credit No. _____.

You may transfer your rights under this Letter of Credit in their entirety (but not in part) to any transferee. Transfer of your rights under this Letter of Credit to any such transferee shall be affected only upon the presentation to us of this Letter of Credit accompanied by a transfer letter in the form attached hereto as Exhibit F, and we consent to such transfer without charges or fees of any kind. Upon such transfer, the transferor shall have no further rights with respect to this Letter of Credit.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Plat Approval), and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement with the exception of Exhibits A through G hereto are incorporated herein by reference as an integral part of this Letter of Credit.

Very truly yours,
NAME OF ISSUING BANK

By _____
Authorized Officer

Acknowledgment (Letter of Credit)

State of Missouri)
)
County of St. Louis) SS

On this _____ day of _____, 20____, before me _____ (name of notary), a Notary Public in and for said state, appeared _____(name of officer), _____(title of person, president, vice president, etc.), _____(name of corporation), known to me to be the person who executed the within Letter of Credit in behalf of said corporation, and acknowledged to me that he or she executed the same for the purposes therein stated.

_____ (official signature and official seal of notary)

EXHIBIT A
TO LETTER OF CREDIT
FORM OF CERTIFICATE FOR "A" DRAWING

_____, 20____

Name of Issuing Bank

Bank Address

Attention:

Re: Your Letter of Credit No. _____
in Favor of St. Louis County, Missouri

Gentlemen:

The undersigned, a duly authorized official of St. Louis County, Missouri (the "Beneficiary"), hereby certifies to ***Name of Issuing Bank*** (the "Bank"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit"); issued by the Bank in favor of the Beneficiary, that:

1. The Account Party has failed to complete all improvements required by the Plat Approval.
2. The draft in the sum of \$ _____ accompanying this Certificate is not in excess of the Maximum Available Credit of the Letter of Credit and shall result in a reduction of the Maximum Available Credit of the Letter of Credit.

You are hereby directed to transfer the funds as stated above to the credit of St. Louis County to ***Name of County Depository*** for the account of ABA _____, Attention _____ Reference _____.

Any capitalized terms used herein and not defined shall have their respective meanings as set forth in the Letter of Credit.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate this _____ day of _____, _____.

ST. LOUIS COUNTY, MISSOURI

By _____
Treasurer

EXHIBIT B
TO LETTER OF CREDIT
FORM OF CERTIFICATE FOR "B" DRAWING

_____, 20__

Name of Issuing Bank

Bank Address

Attention:

Re: Your Letter of Credit No. _____
in Favor of St. Louis County, Missouri

Gentlemen:

The undersigned, a duly authorized official of St. Louis County, Missouri (the "Beneficiary"), hereby certifies to ***Name of Issuing Bank*** (the "Bank"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit" issued by the Bank in favor of the Beneficiary, that:

1. The Expiration Date of the Letter of Credit is _____, _____, which date is not more than thirty days from the date of this Certificate and;

EITHER

2. The Beneficiary has not received written notification of any amendment to the Letter of Credit which extends the Expiration Date.

OR

2. The Beneficiary has received written notification that the Letter of Credit will not be renewed and;

3. The draft in the sum of \$ _____ accompanying this Certificate is not in excess of the Maximum Available Credit of the Letter of Credit and shall result in a reduction of the Maximum Available Credit of the Letter of Credit.

You are hereby directed to transfer the funds as stated above to the credit of St. Louis County to ***Name of County Depository*** for the account of ABA _____ Attention _____ Reference _____.

Any capitalized terms used herein and not defined shall have their respective meanings as set forth in the Letter of Credit.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate this _____ day of _____, -.

ST. LOUIS COUNTY, MISSOURI

By _____
Treasurer

EXHIBIT C
TO LETTER OF CREDIT
FORM OF CERTIFICATE FOR "C" DRAWING

_____, 20__

Name of Issuing Bank

Bank Address

Attention:

Re: Your Letter of Credit No. _____
in Favor of St. Louis County, Missouri

Gentlemen:

The undersigned, a duly authorized official of St. Louis County, Missouri (the "Beneficiary"), hereby certifies to ***Name of Issuing Bank*** (the "Bank"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit"); issued by the Bank in favor of the Beneficiary, that:

1. Funds in the amount of the accompanying draft are now due for deposit in a special transit account for street and associated storm sewer maintenance.
2. The draft in the sum of \$ _____ accompanying this Certificate is not in excess of the Maximum Available Credit of the Letter of Credit and shall result in a reduction of the Maximum Available Credit of the Letter of Credit.

You are hereby directed to transfer the funds as stated above to the credit of St. Louis County to ***Name of County Depository*** for the account of ABA _____, Attention _____

Any capitalized terms used herein and not defined shall have their respective meanings as set forth in the said Letter of Credit.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate this _____ day of _____, .

ST. LOUIS COUNTY, MISSOURI

By _____
Treasurer

EXHIBIT D
TO LETTER OF CREDIT
FORM OF NOTICE OF EXPIRATION

_____, 20__

St. Louis County, Missouri
County Government Center
41 South Central
Clayton, Missouri 63105
Attention Treasurer's Office

Re: Our Letter of Credit No. _____ in Favor of St. Louis County, Missouri
Amount:
Expiration Date:

Gentlemen:

Please consider this letter as our notification that the above-referenced Letter of Credit will expire in full and finally on the above-mentioned date.

Very truly yours,

NAME OF ISSUING BANK

By _____
Authorized Officer

cc: ***Account Party***
Account Party Address

EXHIBIT E
TO LETTER OF CREDIT
FORM OF REDUCTION CERTIFICATE

Department of Planning, St. Louis County
41 South Central Avenue
Clayton, MO 63105

_____, 20__

Name of Issuing Bank

Bank Address

Attention:

LETTER OF CREDIT NUMBER: _____
IN ORIGINAL AMOUNT OF: \$ _____

Gentlemen,

This certificate authorizes reduction in the amount of \$ _____ of the above letter of credit. The remaining maximum available credit for this letter of credit is \$ _____.

ST. LOUIS COUNTY, MISSOURI

by _____
Treasurer

Memo to Developer: for information only.

(This portion will be provided for developer's information and will not form a part of the reduction certificate.)

EXHIBIT F
TO LETTER OF CREDIT
FORM FOR FULL TRANSFER OF LETTER OF CREDIT

_____, 20__

Name of Issuing Bank

Bank Address

Attention:

Re: Your Letter of Credit No. _____ in favor of St. Louis County, Missouri

Gentlemen:

The undersigned, St. Louis County, Missouri ("Transferor") has transferred (and hereby confirms said transfer) all of its rights in and under the above-referenced Letter of Credit to [name and address of Transferee] ("Transferee"). Transferor confirms that it no longer has any rights under or interest in said Letter of Credit and that you shall have no further responsibility to make payment under said Letter of Credit to Transferor.

Transferor hereby surrenders said Letter of Credit to you and requests that you note the transfer of said Letter of Credit and deliver the Letter of Credit, amended or endorsed to reflect said transfer, to Transferee.

ST. LOUIS COUNTY, MISSOURI

[NAME OF TRANSFEREE]

By: _____
[Name and Title of
Authorized Official of
Transferor]

By: _____
[Name and Title of
Authorized Officer of
Transferee]

EXHIBIT G
TO LETTER OF CREDIT
FORM OF AMENDMENT TO EXTEND EXPIRATION DATE

_____, 20____
LETTER OF CREDIT NO. _____
AMENDMENT NO. _____

St. Louis County, Missouri
County Government Center
41 South Central
Clayton, Missouri 63105
Attention Treasurer's Office

Gentlemen:

This Letter of Credit is hereby amended as follows:

1. The Maximum Available Credit is \$ _____.
2. The Expiration Date is extended to _____.
3. The sentence which states that this Letter of Credit is automatically extended is deleted.
4. The sentence which states the full and final expiration date is deleted.

Please consider this letter as our notification that the above-referenced letter of credit will expire in full and finally on the date stated in paragraph 2 above.

Very truly yours,

NAME OF ISSUING BANK

By _____
Authorized Officer

INFORMATION ONLY: This Letter of Credit relates to:

(SUBDIVISION NAME)
(SUBDIVISION PLAT NUMBER)

cc: ***Account Party***
Account Party Address