

(BANK LETTERHEAD)

_____, 20__

City of Murfreesboro
Water Resources Department
Attn: Michele Pinkston
220 NW Broad Street
Murfreesboro, TN 37130

Re: Irrevocable Letter of Credit No. _____

_____ (“Bank”) hereby opens its irrevocable Letter of Credit (“Credit”) in favor of _____ (“PRINCIPAL”), with its principal place of business at _____

_____ for the benefit of the City of Murfreesboro in the following manner and on the following terms:

1. PRINCIPAL is responsible for _____

(the “Agreement”).

2. The initial extent of this Credit shall be \$_____, subject to adjustment in accord with the provisions of this Agreement.

3. In the event PRINCIPAL fails to timely make the required payments or otherwise defaults under or breaches the Agreement, the City can call on this Credit in the amount necessary to cover such required payments or otherwise cure the default or breach, the cost thereof not to exceed the extent of the Credit in Paragraph 2, as adjusted.

4. Draws in part or in full will be by sight draft accompanied by a statement on City letterhead that (i) the person submitting the statement is properly authorized to do so, (ii) the required payments have not been made when due or PRINCIPAL is in default or has breached, and (iii) that PRINCIPAL has failed or refused to either make the required payment or to cure or make appropriate provisions for the anticipated cost of remedying the default or breach. The original of this Credit shall accompany the Draw. In the event of a partial draw which leaves an amount available to City under this Credit, the date and amount of the partial draw shall be noted on the original Credit and the original Credit shall be returned to City.

5. This Credit shall expire one year from the above date, PROVIDED THAT it shall be deemed automatically extended without amendment for an additional period of one year from the initial and each future expiration date unless, not less than sixty (60) days prior to the then-relevant expiration date, Bank notifies City by Certified Mail or other manner showing proof or confirmation of delivery, that Bank elects not to extend this Credit for any additional period. Upon City's receipt of such a notification, City may draw its sight draft on Bank prior to the then-relevant expiration date for the unused balance of this Letter of Credit, which shall be accompanied by City's signed written statement that City received the notification of Bank's election not to extend.

6. After partial performance by PRINCIPAL, the extent of this Letter of Credit may be reduced, the reduction to be included in the acceptance notification to PRINCIPAL. A written copy of the acceptance will be forwarded to Bank.

7. City may submit draw(s) under this Letter of Credit at _____
_____ County, Tennessee.

This Letter of Credit shall in all things be governed and construed in accordance with the laws of the State of Tennessee.

Name: _____

Title: _____