STRAIGHT IRREVOCABLE LETTER OF CREDIT

The _____ Bank (hereinafter referred to as the "Bank") grants a straight irrevocable letter of credit (hereinafter referred to as the "letter of credit") for the amount of **$[AMOUNT IN DOLLARS]** to the U.S. Army Engineer District, _____ (hereinafter referred to as the "Beneficiary") on behalf of the City of _____ (hereinafter referred to as the "Guarantor"), for the _____ project. It is understood that this letter of credit cannot be amended, revoked, cancelled, reduced, or otherwise affected without the prior express written consent of the Beneficiary.

The Beneficiary can demand payment from the Bank up to an amount of **$[AMOUNT]** or fractions thereof up to said amount. This letter of credit will be only be considered terminated once withdrawal of **$[AMOUNT]** has been completed or by written agreement between the Beneficiary and the Guarantor.

The Beneficiary has the exclusive right to demand payment of any sums under the terms of this letter of credit from the Bank. The demand shall be made by presentation of a letter, either in person or by certified mail to the Bank, similar to Attachment A signed by the District Engineer, U.S. Army Engineer District, _____.

The Bank's payment of the demand shall be made by means of a certified check payable to "FAO, USAED, _____". Payment shall be made immediately if the demand is made in person or within one Bank working day after the Bank receives the demand via certified mail. The Beneficiary names the District Engineer, U.S. Army Engineer District,_____, or his officially designated representative, as the official authorized to make demand upon the Bank and the official to receive the certified check either in person or by certified mail.

Nothing in this letter of credit will be construed as making the Beneficiary responsible in any manner for any failure of the Guarantor to provide adequate assurances to the bank.

The parties hereto have accepted this letter of credit and its terms on this the _____ day of _____ 199_.

THE BANK   **THE BENEFICIARY**

BY: _____   **BY:** _____
              _____ **Bank**   **Colonel, District Engineer**
                                                                     U.S. Army Engineer District, _____