SAMPLE – IRREVOCABLE STANDBY LETTER OF CREDIT

(NOTE: FORM MAY VARY, SUBSTANCE MAY NOT)

BANK LETTERHEAD

IRREVOCABLE STANDBY LETTER OF CREDIT

TO: ATTN: GROUND FUELS DIVISION IV, DIRECT DELIVERY FUELS, CONTRACTING OFFICER
Defense Logistics Agency Energy-FEPDB
8725 JOHN J. KINGMAN RD STE 4950
FORT BELVOIR VA 22060-6220

EFFECTIVE DATE: _____
AMOUNT OF LETTER OF CREDIT: $_____
CONTRACTOR: _____
CONTRACT NUMBER: SPE605-_____
LETTER OF CREDIT NUMBER: _____

To Whom It May Concern:

We hereby establish our "Irrevocable Standby Letter of Credit" in your favor, available by your draft/s at sight, drawn on (*Name of Bank issuing this Standby letter of Credit*) accompanied by a manually signed statement that the signer is "an authorized representative of the Defense Logistics Agency", and one or both of the following statements:

a. "I hereby certify that the United States Government has delivered product under the terms of Contract Number SPE605-_____ and that (*Contractor*) has not paid under the terms of that contract, and as a result owes the Government $_____."

b. "I hereby certify that (*Contractor*) has failed to take delivery of product under the terms of Contract Number SPE605-_____, and as a result owes the Government $_____."

Drafts must be presented for negotiations on or before the expiration date of this Letter of Credit, (*Expiration Date*), at our bank. The Government may make multiple drafts against this Letter of Credit.

This Letter of Credit is subject to the Uniform Customs and Practice of Documentary Credits (2007 Revision, International Chamber of Commerce Publication No. 600) and except as may be inconsistent therewith, to the Uniform Commercial Code in effect on the date of issuance of this Letter of Credit in the state in which the issuer's head office within the United States is located.

We hereby agree with the drawers, endorsers and bona fide holders that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored upon presentation and delivery of the above documents for negotiation at our bank on or before the expiration date.

Very truly yours,

_____
(Authorized Signature)

_____
(Typed Name and Title)