



**CITY OF PORTLAND**  
RICHARD T. DONOVAN, JR., AICP, CNU-A – CITY PLANNER  
PLANNING DEPARTMENT  
100 SOUTH RUSSELL STREET  
PORTLAND, TENNESSEE 37148  
Telephone 615/325-6776 ext. 235  
Fax 615/325-5345  
Email Address: [rdonovan@cityofportlandtn.gov](mailto:rdonovan@cityofportlandtn.gov)

**EFFECTIVE JANUARY 1, 2019**

The following information must be in each Letter of Credit:

Beneficiary: City of Portland  
Planning Department  
ATTN: Richard Donovan  
100 S. Russell Street  
Portland, TN 37148

The following statements are not required to be verbatim; however, verbiage must accurately reflect all significant elements of the statements below:

- (1) Expiration Date:
- (2) We hereby open our Irrevocable Letter of Credit in your favor for the account \_\_\_\_\_ (Developer) \_\_\_\_\_, \_\_\_\_\_ (Address) \_\_\_\_\_ for a sum not to exceed the aggregate amount of \$ \_\_\_\_\_ available to the City of Portland on one or more clean drafts drawn at sight on us or by certified mail.
- (3) Each draft so honored must be marked “Drawn under \_\_\_\_\_ (Institution and address) \_\_\_\_\_, Letter of Credit # \_\_\_\_\_” and be accompanied by a signed statement by the City of Portland that ( \_\_\_\_\_ (Developer) \_\_\_\_\_ has failed to honor his/her/its obligations with the City of Portland, its subsidiaries, and affiliates for the construction of \_\_\_\_\_ (Improvement LOC is held for) \_\_\_\_\_ for \_\_\_\_\_ (project name and/or phase) \_\_\_\_\_.
- (4) Partial drawings are permitted.
- (5) It is a condition of this Letter of Credit that it shall be deemed automatically extended without amendment for one year from the expiration date hereof, or any future expiration date, unless sixty (60) days prior to any expiration date we send notice to you by receipted registered mail or receipted overnight courier that we elect not to consider this Letter of Credit renewed for any such additional period. Upon receipt of such notification, Beneficiary has the right to draw on the full amount of the Letter of Credit. Letter of Credit non extension notice shall be sent to the beneficiary at the address as stated above, or as amended.
- (6) We hereby agree with you that all drafts drawn under and in compliance with the terms of this credit will be duly honored if drawn and presented for payment to our (main) office, located at \_\_\_\_\_ (Address) \_\_\_\_\_.
- (7) Funds under this Letter of Credit are available at the office of the issuer at Bank Address or by certified mail. **(THIS PHRASE MUST BE INCLUDED ON A THE LOC)**
- (8) Letters of Credit must include phone number and email address for BOTH the Developer and Bank Official.



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### Additional requirements:

- (1) Letter of Credit must be able to be drawn from a local bank (Bank must be in Davidson Co., Macon Co., Robertson, Co., Trousdale Co. or Wilson Co., Tennessee or Allen Co. or Simpson Co., Kentucky).
- (2) Beneficiary information as listed at top must be on the Letter of Credit.
- (3) The Letter of Credit must clearly state the name, address, and telephone number of the contact person from the bank itself.
- (4) Letter of credit must have the signature of the Bank Official.

Questions or Comments? Please contact Richard Donovan at 615-325-6776.

A RENEWED LETTER OF CREDIT (OR AMENDMENT TO THE ORIGINAL LETTER OF CREDIT) MUST BE SUBMITTED TO THE CITY EACH YEAR BEFORE THE EXPIRATION DATE WITH THE NEW EXPIRATION DATE. THE BANK MAY REQUEST THAT THE LETTER OF CREDIT WITH THE EXPIRED DATE BE RETURNED TO THE BANK UPON APPROVAL OF THE RENEWED LETTER OF CREDIT.

**SAMPLE LETTER OF CREDIT**

**BANK STATIONARY**

Letter of Credit # \_\_\_\_\_ Issuer:  
Applicant:  
Project: (Project and Phase/Section)  
Beneficiary: City of Portland  
Amount:  
Date Issued:  
Expiration:

The issuer hereby issues in favor of the Beneficiary this Irrevocable Standby Letter of Credit with the above Letter of Credit Number \_\_\_\_\_, for the account of the Applicant in an amount not exceeding the above dollar amount. If a date certain is indicated above as the expiration date, this Letter of Credit shall expire at the close of business on that Expiration Date; however, the term of this Letter of Credit is perpetual, the Letter of Credit shall not expire except in accordance with applicable law. Funds under this Letter of Credit are available at the office of the Issuer at (Address), after presentation of draft(s) drawn at sight on the Issuer at its counters or by certified mail.

The sight draft(s) shall bear the clause “Drawn under Letter of Credit Number \_\_\_\_\_ of \_\_\_\_\_ Bank, dated \_\_\_\_\_.”

The draft(s) shall be accompanied by the following documents:

- (1) A sworn affidavit from an official representative of the City of Portland stating that an event of default exists and the City of Portland is entitled to the funds under the terms of the Letter of Credit.

It is a condition of this Letter of Credit that it shall be deemed automatically extended for one year from the present or any future expiration date hereof, unless sixty (60) days prior to any such date we shall notify you in writing by certified mail, receipted overnight mail or receipted courier at the above address that we elect not to consider this Letter of Credit renewed for any such additional period.

Except to the extent that the non-variable provisions of the State of Tennessee’s Commercial Code – Letters of Credit (Tenn. Code Ann. #47-5-101 et seq.) and the specific terms of this Letter of Credit dictate otherwise, this Letter of Credit is governed by the International Standby Practices, 1998 ed., ICC Publication No. 590 (“isp98”).

Bank Name

\_\_\_\_\_  
Office of the Bank Name