

IRREVOCABLE LETTER OF CREDIT

This Irrevocable Letter of Credit is made and entered into this [] day of December, 2019.

The parties are identified as follows:

BORROWER: City of Tontitown Arkansas

BENEFICIARY: Carroll Electric Cooperative Corporation
Attn: Engineering Department
P.O. Box 4000
Berryville AR 72616-4000

LENDER:

Effective Date: This Letter of Credit shall become effective on the ___ day of December, 2019, and shall expire upon the earlier of the close of business on the ___ day of December, 2022, or on the day the Lender honors a draw under which the full amount of this Letter of Credit has been drawn by the Beneficiary. All drafts and accompanying statements or documents must be presented to the Lender on or before the date of expiration.

Amount of Credit: Lender hereby establishes at the request and for the account of the Borrower an Irrevocable Letter of Credit in favor of the Beneficiary for the sum of \$23,639.32.

These funds shall be made available to the Beneficiary upon the Lender's receipt from the Beneficiary of sight drafts drawn on the Lender at the Lender's address indicated above during regular business hours. Each sight draft shall be accompanied by the following signed written statements and documents:

1. Any partial sight draft shall be accompanied by the original of this Letter of Credit which shall be returned to the Beneficiary after the sight draft is honored by the Lender.
2. Each sight draft must be accompanied by the following signed statement of the Beneficiary:

"The undersigned certifies that he/she is an agent of Carroll Electric Cooperative Corporation and is duly authorized to make this statement. The undersigned certifies that the Borrower, City of Tontitown Arkansas, is duly indebted to Carroll Electric Cooperative Corporation in the amount of \$_____ as a consequence of the Borrower defaulting under a certain *Commercial Development Installation Agreement* dated the [] day of December, 2019. Further, the undersigned certifies that Carroll Electric Cooperative Corporation has fully performed its obligations under the *Commercial Development Installation Agreement* dated the [] day of December, 2019.

Terms and Conditions: The parties to this Irrevocable Letter of Credit acknowledge that it cannot be revoked by the Lender during the term of the Letter of Credit as is described above; that it may be partially released annually based on the electrical usage of qualified services constructed and connected to the electrical system as is described in the *Commercial Development Installation Agreement* dated the [] day of December, 2019. upon Lender's honor of sight drafts presented by the Beneficiary, the Lender shall be fully discharged to the extent of any payment made upon any partial sight draft and, in the event of full payment by the Lender of the full amount of this Irrevocable Letter of Credit, the Lender shall be fully discharged.

Restrictions: All drafts must be marked "Drawn Under []'s Irrevocable Letter of Credit No. [] dated the [] day of December, 2019. and the amount of each draft shall be marked on the draft.

Governing Law: This Agreement will be governed by federal law applicable to the Lender and, to the extent not preempted by federal law, the laws of the State of Arkansas without regard to its conflicts of laws provisions.

This Irrevocable Letter of Credit made and entered this day of December, 2019.

LENDER:

By: _____
Authorized Signer

BENEFICIARY:

Carroll Electric Cooperative Corporation

By: _____
Authorized Signer

BORROWER

City of Tontitown Arkansas

By: _____
Authorized Signer