Texas Department of Motor Vehicles

IRREVOCABLE STANDBY LETTER OF CREDIT
Instructions

These instructions apply when an irrevocable letter of credit (LOC) is issued on Texas Department of Motor Vehicles Form MCD-LOC01 to the County Commissioners Court of any county in Texas as beneficiary to satisfy the financial security requirement for an Over Axle/Over Gross Weight Tolerance Permit or Timber Permit. The issuing Bank must not alter the text of Form MCD-LOC01 in any way. These instructions are provided for guidance only and do not form part of the irrevocable standby letter of credit on Form MCD-LOC01.

Provide the following information as indicated below.

Beneficiary	The Beneficiary of the LOC shall be: **County Commissioners Court of any county in the State of Texas**
Customer/Principal	The exact legal name of the entity obtaining the permit and on whose behalf the LOC is issued.
Issuing Bank	The LOC will be accepted only if it is issued by a bank subject to the laws of Texas.
Effective date	The effective date shall be on or before the date on which a permit is to be issued against the LOC.
Authorized Signature	An original signature of an officer/representative of the Issuing Bank.

Submit the original LOC to:

Texas Department of Motor Vehicles
Attn: MCD – Permits
4000 Jackson Ave.
Austin, Texas 78731

Facsimiles and electronic copies will not be accepted.

TxPROS Account Number

_____

Texas Department of Motor Vehicles

Motor Carrier Division
4000 Jackson Ave.
Austin, Texas 78731
800/299-1700

IRREVOCABLE STANDBY LETTER OF CREDIT

Date: _____ Letter of Credit Number: _____

To: County Commissioners Court of any county in the State of Texas

We hereby issue this Irrevocable Standby Letter of Credit (hereinafter "LOC") in your favor and authorize you to draw upon it in accordance with its terms.

_____
(Name and Office of Issuing Bank)

_____
(Address of Issuing Bank)

For account of:

_____
(Name of Customer/Principal)

_____
(Address of Customer/Principal)

up to an aggregate amount of fifteen thousand and no/100 U.S. dollars ($15,000.00) by presenting your sight draft

marked "drawn under _____
(Name of Issuing Bank)

Irrevocable Standby Letter of Credit Number _____ dated _____."

The following must accompany any drafts drawn under this LOC:

1) The original letter of credit, including any amendments; and

2) A statement signed, or purportedly signed, by an authorized representative of the county commissioners court of any county in the State of Texas certifying "funds drawn under this LOC are due to the County for damages sustained to highway(s) under the jurisdiction of the county commissioners court by the operation of equipment for which a permit was issued under Texas Transportation Code §623.011 or §623.321, or for failure to perform permit notifications as required by Texas Transportation Code §623.323."

IRREVOCABLE STANDBY LETTER OF CREDIT (continued)

Customer/Principal: _____ LOC Number: _____

The issuer shall promptly notify the Texas Department of Motor Vehicles and the principal in writing after any payment is made under this LOC. The department must receive, no later than the 31st day after the date payment is made, either a replacement LOC or written notification from the issuer that this LOC has been restored to the original amount. Failure to provide a replacement LOC or written notification that this LOC has been restored to its original amount will result in the automatic expiration of the principal's permit(s) issued under this LOC on the 31st day after the date payment was made under this LOC.

This LOC shall become effective on _____ , and shall expire on _____ (the "Primary Term"). This LOC shall remain valid and irrevocable during the Primary Term and for so long thereafter as it is renewed in accordance with the terms.

This LOC shall be automatically renewed for successive one-year terms upon each expiration date unless, at least thirty (30) days before the applicable expiration date, the Texas Department of Motor Vehicles receives written notice from the issuer, addressed to the Motor Carrier Division, that this LOC will not be automatically renewed.

We hereby agree that any draft drawn under this LOC and presented in compliance with its terms shall be duly honored within one business day after receipt, provided the draft is presented to the above-named Issuing Bank on or before the expiration date of this LOC.

This LOC is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600.

Name and title of signer for Issuing Bank

_____ _____

Authorized Signature Date

_____

Printed Name & Title