§ 25-5-110. Warranties.

(a) If its presentation is honored, the beneficiary warrants:

(1) To the issuer, any other person to whom presentation is made, and the
applicant that there is no fraud or forgery of the kind described in G.S.
25-5-109(a); and

(2) To the applicant that the drawing does not violate any agreement between
the applicant and beneficiary or any other agreement intended by them to be
augmented by the letter of credit.

(b) The warranties in subsection (a) of this section are in addition to warranties arising
under Articles 3, 4, 7, and 8 of this Chapter because of the presentation or transfer of
documents covered by any of those Articles. (1999-73, s. 1.)