

(Letterhead of a Bank, Savings and Loan or Mortgage House)

_____, 20__

Mayor and Aldermen
City of Yorkville
800 Game Farm Road
Yorkville, IL 60560

Re: Subdivision Name
Letter of Credit No.
For Account of
Amount
Date

Gentlemen:

The undersigned _____ by _____, its' duly
(name of financial institution) (name & title)

authorized agent,, hereby establishes and issues this Irrevocable Letter of Credit in favor of the City of Yorkville in the amount of \$ _____, which represents 110% of the cost of the improvements described herein. Such credit is available to be drawn upon by said City upon presentation to this bank of your demand for payment.

This Letter of Credit is issued for the purpose of securing and paying for the installation of the following land improvements in the aforesaid subdivision:

- DIVISION "A" - SANITARY SEWERS
(engineer's estimate = _____)
- DIVISION "B" - WATER MAIN
(engineer's estimate = _____)
- DIVISION "C" - STORM SEWERS
(engineer's estimate = _____)
- DIVISION "D" - STREETS
(engineer's estimate = _____)
- DIVISION "E" - DETENTION BASIN
(engineer's estimate = _____)
- DIVISION "F" - MISC. IMPROVEMENTS
(engineer's estimate = _____)
- Total engineer's estimate = _____

The costs of the foregoing improvements are detailed in the attached Engineer's Cost Estimate.

The development is legally described as follows:

See Attached Exhibit "A"

Said public improvements shall be constructed by _____ our customer, in
(subdivider)
accordance with the plans, specifications, completion schedules and cost estimates prepared by
_____.
(subdivider's engineer)

The undersigned agrees that this Irrevocable Letter of Credit shall remain in full force and effect and pertain to any and all amendments or modifications which may be made from time to time to the plans, specifications and cost estimated for said modifications.

This Irrevocable Letter of Credit shall expire on _____, 20____. provided, however, the undersigned shall notify the City Clerk by certified or registered mail, return receipt requested, at least ninety (90) days prior to said expiration date, that said Letter of Credit is about to expire. In no event shall this Irrevocable Letter of Credit or the obligations contained herein expire except upon said prior written notice, it being expressly agreed by the undersigned that the above expiration date shall be extended as required to comply with this notice provision.

This Irrevocable Letter of Credit shall remain in effect until _____, 20____, without regard to
(expiration date)
any default in payment of money owed to the issuer by our customer and without regard to other claims which the Issuer may have against our customer, and in no event shall terminate without notice as specified above.

This Letter of Credit may be renewed by the Issuer or our customer prior to the above expiration date by submitting a new Letter of Credit to the same form and substance as this Letter of Credit to the City Clerk in an amount equal to 110% of the estimated cost to complete and pay for the above described improvements.

It is agreed that the following shall be considered a default by our customer and shall entitle the City to make demand on this Letter of Credit:

1. that said Letter of Credit will expire within thirty (30) days and has not been renewed;
or
2. that the aforesaid improvements have not been completed by the subdivider at least thirty (30) days prior to the aforesaid expiration date; or
3. that the owner and/or subdivider has failed to complete or carry on the work of the installation and construction of the required improvements in accordance with the schedule, or at a faster pace if the installation of the private improvements shall be completed before public improvements to service them are available; or
4. that the City of Yorkville has determined that the owner and/or subdivider has demonstrated that they will be unable to complete the improvement; or

5. that if more funds are disbursed at this time on order of the owner and/or subdivider insufficient funds will remain irrevocably committed to guarantee the completion of all improvements, and such certification indicates that the owner and/or subdivider has been notified that the municipality finds that a breach of the owner's and/or subdivider's obligations has occurred and has not been cured within a period of thirty (30) days.

The Issuer's obligation to the City is based solely on this Irrevocable Letter of Credit engagement between this financial institution and the City and is not subject to instructions from our customer.

It is recognized that the City has directed our customer to proceed with the construction of public improvements upon the guarantee of this irrevocable commitment. It is further acknowledged that the consideration for this irrevocable commitment is provided by agreements between this financial institution and our customer.

This Irrevocable Letter of Credit sets forth in full the terms of this undertaking between the Issuer and the City, and such undertaking shall not in any way be modified, amended, amplified, nor shall it be limited by reference to any documents, instrument or agreement referred to herein, and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement.

Demands on this Letter of Credit shall be made by presenting the Issuer with a letter from the City Clerk of the City of Yorkville demanding payment accompanied by the certificate of the City Clerk of the City of Yorkville certifying the basis for the default and demand on this Letter of Credit.

The undersigned agrees that this Letter of Credit shall not be reduced or discharged except upon receipt of a certificate of the City Clerk of the City of Yorkville certifying that this Letter of Credit may be reduced. The outstanding balance of this Letter of Credit shall be the face amount of this Letter of Credit less any amount which is discharged upon certificate of the City Clerk; Provided however, the outstanding balance of this Letter of Credit shall not be reduced to less than 20% of the approved engineer's estimate upon which this Letter of Credit is based until the City Council accepts the aforementioned improvements and a certificate of the City Clerk certifying that the Letter of Credit has been released by the City Council of the City.

All acts, requirements and other preconditions for the issuance of this Irrevocable Letter of Credit have been completed.

The undersigned further agrees and engages that it will be responsible and liable for attorney fees and court costs which may be incurred by the City in enforcing collection of this Letter of Credit in accordance with its' terms.

We hereby engage with you that all demands for payment in conformity with the terms of this Irrevocable Letter of Credit will be duly honored on presentation to us prior to expiration of this Letter of Credit.

Except as otherwise expressly stated herein, this Irrevocable Standby Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600.

BY: _____

ATTEST:

Name: _____

Name:

Title: _____

Title:

STATE OF ILLINOIS)

) SS

COUNTY OF _____)

I, the undersigned, a Notary Public in and for the County and State aforesaid, do hereby certify that _____, personally known to me to be the _____ of the _____ (title) _____, and _____ personally known to me to be the _____ (name of institution) _____ (title) of said institution, and who are personally known to me to be the same persons whose names are subscribed to the foregoing Letter of Credit as such _____ and _____ (title) _____ (title) respectively, and caused the corporate seal of said _____ to be affixed thereto (name of institution) pursuant to authority given by the Board of Directors thereof as their free and voluntary acts and as the free and voluntary act and deed of said institution.

Given under my hand and official seal this __ day of _____20__.

Notary Public SEAL