

-SAMPLE-

[**NOTE: The brackets and Italics throughout the document indicate that the appropriate information needs to be inserted into the document.*]

[*INSERT NAME OF FINANCIAL INSTITUTION*]
[*INSERT FINANCIAL INSTITUTION LETTERHEAD ON FIRST PAGE*]

IRREVOCABLE LETTER OF CREDIT NO. _____

PLACE AND DATE OF ISSUE:
[*Insert Place & Date of Issuance*]

PROJECT NAME:
[*Insert Project Name*]

APPLICANT:
[*Insert Name of Applicant*]

PROJECT LOCATION:
[*Insert Complete Project Address*]

BENEFICIARY:
City of Peoria
8401 W. Monroe Street
Peoria, Arizona 85345

AMOUNT: [*Insert Amount in Numbers*]
[*Insert Typed-out Written Amount*]

To the City of Peoria:

We [*Insert Name of Financial Institution*], authorized to transact business in the State of Arizona hereby establish an Irrevocable Letter of Credit in your favor for the account and request of [*Insert Name of Applicant/Developer*], up to the aggregate amount of [*Insert Typed-out Dollar Amount*] United States Dollars (\$[*Insert Dollar Amount in Numbers*]) (See cost breakdown used to establish aggregate amount on ***Exhibit "A"***), available by the Beneficiary's sight draft(s) drawn on [*Insert Name of Financial Institution*].

The aggregate amount is equal to the cost of the construction, installation and dedication of the Required Improvements. Drafts can be presented at any [*Insert Financial Institution*] branch and partial drawings are permitted.

Upon failure on the part of Applicant to complete the Required Improvements, as defined in the Agreement to Install Improvements between Beneficiary and Applicant, on or before [*Insert Required Improvement Date*], Beneficiary shall be entitled to draw all funds specified herein as are necessary to complete the Required Improvements.

Each request drawn under this Letter of Credit must be accompanied by:

1. The original of this letter.

2. Beneficiary's signed statement stating that: -Quote The funds drawn under this Letter of Credit are needed to pay for the Required Improvements in connection with [Insert Applicant's Development Name] located at [Insert Development Address], Peoria, Arizona, such improvements failed to be completed within the specified time period. -Unquote
3. Drafts must be marked: -Quote Drawn under [Insert Name of Financial Institution] Irrevocable Letter of Credit No. [Insert Number], dated [Insert Date]. -Unquote

This Letter of Credit will expire on [Insert Expiration Date (A Minimum of Sixty (60) Days after the Required Improvement Completion Date)]. Notwithstanding the foregoing, this Letter of Credit will not expire until [Insert Guaranty/Financial Institution] has furnished to Beneficiary notice that this Letter of Credit will expire forty-five (45) days from such notice.

This Letter of Credit shall not be withdrawn or reduced in amount until released by the Beneficiary.

We hereby agree with you that all drafts drawn under and in compliance with the terms of this credit shall be duly honored on presentation to us on or before [Insert Date], at [Insert Name of Financial Institution].

This Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 revision) International Chamber of Commerce, Publication No. 500.

[Insert Name of Financial Institution]

Approved as to Form:

By _____

City Attorney

Printed Name

Title