

Letter of Credit to Guarantee Completion of Improvements

Letter of Credit No. _____(1)

Dated: _____ (2)

Board of Supervisors
West Earl Township
157 West Metzler Road
P.O. Box 787
Brownstown, PA 17508

Dear Members of the Board:

We hereby issue our irrevocable Letter of Credit in favor of the Township of West Earl (the "Township") for any sum or sums not exceeding \$ _____ (3) for the account of _____ (4) (hereinafter called "Developer"). This Letter of Credit pertains to the plan of _____ (5) which was prepared by _____ (6).

Intending to be legally bound, we hereby agree:

1. That demands, in an aggregate amount not exceeding \$ _____(7) accompanied by a document in the form attached hereto and marked Exhibit X (executed by the Chairman or Vice Chairman of the Board of Supervisors), shall be duly honored if presented to us, at our office at _____ (8), Pennsylvania, before _____(9) (such date hereinafter referred to as the "expiration date").

2. The expiration date of this Letter of Credit shall be automatically extended for additional one (1) year periods beginning with the expiration date and upon each anniversary of such date, unless at least thirty (30) days prior to such expiration date or each anniversary of such date we notify the Township in writing, by certified mail, addressed to the Township at 157 West Metzler Road, P.O. Box 787, Brownstown, PA 17508, that we elect not to renew this Letter of Credit.

3. That for each yearly period that this Letter of Credit is automatically extended beyond _____ (10), the amount of this letter of credit shall be increased by an additional _____ (11) or ten (10%) percent of the outstanding balance, whichever is less, but such increases shall not exceed a total of more than \$ _____ (12) in the aggregate in any event.

Payment of this Letter of Credit shall be made without determination of conditions or facts pertaining to related contractual agreements between the Developer and the Township.

Except as otherwise provided herein, this Letter of Credit is subject to the Uniform Customs

and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500, and the Uniform Commercial Code.

Intending to be legally bound hereby, this Letter of Credit has been executed by a duly authorized officer of the undersigned Bank.

Sincerely,

_____ (13)

By: _____ (14)
(15)

EXHIBIT X

TO: _____(16)

We hereby demand payment to Township of West Earl, Lancaster County, Pennsylvania, of the sum of \$ _____, and certify that this demand is made because of the failure of _____ (17) to complete and in order to enable us to complete, to our satisfaction, streets, storm water management facilities, and/or other improvements, and/or to pay any inspection fees, and/or to make any capital contributions to the Township and/or receipt by the Township of notice that this letter of credit will not be renewed and Developer has not completed all improvements, paid all inspection fees and made all capital contributions in accordance with related contractual agreements between the Township and _____ (18) in connection with the development known as _____ (19).

TOWNSHIP OF WEST EARL
Lancaster County, Pennsylvania

By: _____
(Vice) Chairman
Board of Supervisors

INSTRUCTIONS TO COMPLETE LETTER OF CREDIT

- (1) Number assigned to Letter of Credit by lending institution.
- (2) Date of Letter of Credit.
- (3) Amount of Letter of Credit (must be at least 110% of the cost of streets, storm water management facilities and/or other improvements estimated as of ninety (90) days following the date scheduled for completion by the Developer; this cost estimate must be certified by the Developer's Engineer to be fair and reasonable as required by the Pennsylvania Municipalities Planning Code).
- (4) Full name of developer.
- (5) Name of subdivision or land development.
- (6) Name of firm which prepared subdivision or land development plan.
- (7) Same as No. 3 above.
- (8) Address of lending institution.
- (9) Expiration date of Letter of Credit (may not be less than one (1) year from the date of the Letter of Credit).
- (10) Same as No. 9 above.
- (11) This amount should not be less than ten (10%) percent of the amount of the Letter of Credit (e.g. if the Letter of Credit is for \$100,000.00, this amount should be \$10,000.00)
- (12) This amount should not be less than twenty (20%) percent of the Letter of Credit (e.g. if the Letter of Credit is for \$100,000.00, this amount should be \$20,000 00).
- (13) Name of the lending institution issuing Letter of Credit.
- (14) Signature of officer of lending institution executing the Letter of Credit.
- (15) Printed name and title of officer executing the Letter of Credit.
- (16) Same as No. 13 above.
- (17) Same as No. 4 above.
- (18) Same as No. 4 above.
- (19) Same as No. 5 above.