

IRREVOCABLE LETTER OF CREDIT

[Bank Name and Address]

*This form is an EXAMPLE only and wording must be as shown on the **Bank's letterhead.***

TO: CITY OF MISSION VIEJO
Public Works Department
200 Civic Center
Mission Viejo, California 92691

DATE: _____
LETTER OF CREDIT NO.: _____
AMOUNT: _____

At the requires of (the "Customer"), (the "Bank") hereby establishes in your favor an Irrevocable Letter of Credit ("the Credit") for a total amount of \$_____ available by your sight draft, drawn on (the "Bank") expiring _____*, unless automatically renewed as provided herein.

This Letter of Credit shall be automatically extended for additional periods of one year from the present or future expiration date, unless we notify you and (the "Customer") via courier or certified mail at least 120 (one hundred twenty) calendar days prior to the then expiration date that we have elected not to renew this Letter of Credit. Thirty (30) days after receipt of such notice, you may draw on this Letter of Credit by presentation of the documents mentioned herein.

This Credit is issued in connection with the obligation of (the "Customer") for grading and pertinent improvements (outlined in Grading Permit No. _____) to property located at _____ within the City of Mission Viejo, California. A drawing under this Credit shall be made by your presenting to us this Letter of Credit, and a demand in writing signed by a person who has been duly authorized to sign on your behalf.

Said demand shall refer to this Credit by the above number, shall state the amount demanded and shall certify one of the following:

- a. That the customer has failed to comply with the conditions of the grading permit, after 15 (fifteen) days' written notice to the customer demanding compliance with the conditions of said permit; or
- b. The work authorized by the above permit has been left in a hazardous condition; or
- c. The work remains incomplete and the City of Mission Viejo has received notice that we have elected not to renew this Letter of Credit.

Upon receipt of the said documents we shall pay to you the amount stated in the said demand to be payable to you without inquiring whether you have a right to such amount as between yourself and the customer, provided that such amount, together with the other amounts paid to you under this Credit, if any, do not exceed the amount of the Credit. This Credit shall be terminated upon receipt of your letter certifying that subject grading has been completed in a satisfactory manner.

*Must be at least 2 (two) years from date of issuance.

BANK: _____

By: _____

(Notary Acknowledgment Attached)

(Authorized Representative)