

****Date***

IRREVOCABLE LETTER OF CREDIT

Warranty Security No. ****Insert Number***
Amount: \$ ****Insert Amount***

**** Insert Engineer's name***

Land Development Section
Development Services Department
City of Redding
777 Cypress Avenue
Redding CA 96001

Dear * :

SUBJECT: ****Insert Name*** Subdivision
****Insert Name*** Warranty Security

BENEFICIARY: City of Redding, a Municipal Corporation of the State of California (City)

This Irrevocable Letter of Credit (Letter of Credit), dated ****date*** is in the Principal Amount of **** write principal amount (\$ *numeric amount)*** for the benefit of you as beneficiary.

This Letter of Credit may be drawn upon one or more times up to the Principal Amount by a letter from the City, in a form attached as Exhibit "A" and hereafter referred to as "Notice of Intent to Draw", certifying that ****name of subdivider*** (Subdivider) is in default under Section 17.28.020.E of the Redding Municipal Code, that the City has given written verification to Bank notifying Bank that Subdivider is in default under Section 17.28.020.E of the Redding Municipal Code, and that Subdivider has not cured the default in a reasonable time.

We will not concern ourselves whether the amount you request is proper, but will irrevocably allow you to draw upon the Principal Amount at any time or times upon receipt of a Notice of Intent to Draw without further instruction from you or any other person or entity and without further contractual requirement from you.

This Letter of Credit is irrevocable for the period of 12 months following acceptance of said improvements by City Council.

We hereby issue this Irrevocable Letter of Credit in your favor.

Sincerely,

**** name & title***

Enclosure

* *Date*
* *File Code #*

EXHIBIT "A"
NOTICE OF INTENT TO DRAW

CERTIFIED MAIL

* *Name & Address*

SAMPLE

Dear Sirs:

SUBJECT: * *Subdivision Name* Subdivision
* *Name* Warranty Security

Irrevocable Letter of Credit No. **insert number* issued by * *Name of Bank* (Bank) for the City of Redding, a California Municipal Corporation (City)

You have issued, for our benefit, an Irrevocable Letter of Credit (Letter of Credit) dated **insert date* in the Principal Amount of * *write principal amount* (\$ **numeric amount*).

We have determined that **Subdivider's name* (Subdivider) is in default under Section 17.28.020.E of the Redding Municipal Code. We have further determined that we are entitled to \$**insert demand amount* (Demand Amount). You are hereby instructed to wire to our account, in accordance with the wiring instructions enclosed herein, the Demand Amount.

Under the terms of the Letter of Credit, we reserve the right to make additional demands upon you at any time, in an aggregate amount of the Principal Amount.

Sincerely,

* *Insert Name & Title*

Enclosure