

IRREVOCABLE LETTER OF CREDIT

Date of Issue: 0-00-00

Place of Issue: Your Financial Institution
111 ABC Street
Colorado Springs, CO 88888

To: FOUNTAIN SANITATION DISTRICT
11545 LINK ROAD
FOUNTAIN, CO 80817

Account Party: *XYZ Developer*

Irrevocable Letter of Credit No.: 1234567-890

Expiration Date: 00-00-00

Beneficiary: FOUNTAIN SANITATION DISTRICT
11545 LINK ROAD, FOUNTAIN, CO 80817

Gentlemen:

At the request of XYZ Developer, we hereby establish our Irrevocable Standby Letter of Credit in your favor for the amount of One Hundred Sixty-Nine Thousand Two Hundred Seventy-Four US Dollars (\$169,274.00 USD). This credit is available for payment against presentation of your draft(s) at Sight drawn on *Your Financial Institution*, bearing the clause: "Drawn under credit No. 1234567-890 of *Your Financial Institution*, Colorado", accompanied by the following documents:

Written certification from the FOUNTAIN SANITATION DISTRICT that *XYZ Developer*, has failed to perform its obligations set forth in that Subdivision Public Improvements Agreement dated _____, 20___, between Fountain Sanitation District and *XYZ Developer*, including, but not limited to, its obligation to keep a Letter of Credit in place for the duration of its obligation thereunder.

This Letter of Credit shall not be transferable and it shall be governed by the laws of the State of Colorado. This letter may be extended or otherwise renewed with the Beneficiary's consent.

Your Financial Institution hereby agrees to honor each draft for payment made in compliance with the terms of this credit if duly presented, together with any documents as specified herein, on or before the expiration date of this letter. In addition, if an out-of-City of Fountain financial institution, the financial institution hereby agrees to honor each draft for payment made in compliance with the terms of this Letter of Credit. If duly presented by registered mail or overnight courier, together with any documents, as specified herein, on or before the expiration date of this Letter of Credit.