

Letter of Credit Form

Instructions for Letter of Credit:

- 1) Letters of Credit must not vary in substance. Please provide a copy of this sample to your bank.
- 2) The Letter of Credit must be on Bank Letterhead.
- 3) The Letter of Credit must be addressed to:
City of Grand Junction
c/o Director of Public Works & Planning Department
250 N. 5th Street
Grand Junction, CO 81501
- 4) The Letter of Credit must have a title, date and expiration.

Expiration is subject to the automatic extension provisions stated therein.

Irrevocable Letter of Credit No. ____

Dated: ____

Expiration: ____ subject to the automatic extensions stated below

- 5) The Letter of Credit must have the dollar amount stated in numbers and in words
- 6) The Bank shall fill in all blanks except those in the drawing statement (paragraph 6.) The drawing statement is in **bold print**. Do not fill in the drawing statement.
- 7) The information to be included and format to be used either for wire transfer or electronic funds transfer will be provided by the City at the time a drawing is made and the City requests funds be deposited that way.
- 8) If available please include the American Bank Association number on the Letter of Credit.
- 9) Type name under authorized signature.
- 10) Use the following text:

Required Text (On Bank Letterhead):

Exhibit C

City of Grand Junction
c/o Director of Public Works & Planning
250 N. 5th Street
Grand Junction, CO 81501

Irrevocable Letter of Credit No. _____
Dated: _____
Expiration: _____ subject to the automatic extensions stated below
Project Name/City File No.: _____

Dear Sirs:

We hereby establish our Irrevocable Letter of Credit No. _____ in favor of the City of Grand Junction at the request of and for the account of _____ (Developer) in the amount of _____ (\$*****) U.S. dollars.

This Letter of Credit is subject to the following terms and conditions:

- 1) it is effective upon signature;
- 2) it expires on _____ subject to the automatic extensions discussed below;
- 3) this Letter of Credit is available by sight draft(s) drawn and marked "Drawn under _____ (Bank name) Letter of Credit No. _____ dated (MM/DY/YR)";
- 4) this Letter of Credit is established for the use and benefit of the City of Grand Junction by reason of the _____ (Developer) being obligated to pay or perform in accordance with the provisions of the Grand Junction Zoning and Development Code;
- 5) the following statement signed by an authorized designee of the City of Grand Junction must accompany the sight draft;
- 6) "**_____ (Developer) has failed to comply with the terms, conditions, provisions and requirements of the Grand Junction Zoning and Development Code and/or plans, specifications or agreements relating to the construction of improvements required by the City of Grand Junction. The monies received from this drawing are required to construct those improvements. The City of Grand Junction therefore requests the payment of \$_____.**
- 7) It is a condition of this Letter of Credit that it will be automatically extended for a period of six (6) months from the present or any future expiration date unless: (a) the underlying obligation has been performed, released or satisfied, (b) this Letter of Credit has been called in full or (c) the Bank notifies the City of Grand Junction at 250 N. 5th Street Grand Junction CO 81501, by certified mail return receipt requested, at least ninety (90) days prior to such expiration date that we elect not to further extend this Letter of Credit.

- 8) except as stated above no modifications or revocations may be made by the undersigned to this Letter of Credit without the express written approval of the City's Director of Public Works & Planning or his designee;
- 9) this Letter of Credit is neither negotiable nor assignable;
- 10) partial drawings are permitted;
- 11) we hereby agree that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored on due presentation and delivery of documents, which may be done by first class mail, facsimile, in person or by any other reasonable business practice on or prior to the expiration or any extension thereof of this Letter of Credit;
- 12) except as otherwise stated herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision) and to the extent that it does not conflict with Article 5 of the Uniform Commercial Code of the State of Colorado.

Signature
Type name and title

6/13/2003