

**IRREVOCABLE LETTER OF CREDIT**  
**(Bank Name and Address)**

Example - Wording must be as shown on  
Bank's letterhead

To: City of Rancho Santa Margarita  
Planning and Development services  
22112 El Paseo  
Rancho Santa Margarita CA, 92688

DATE: \_\_\_\_\_  
CREDIT NO: \_\_\_\_\_  
AMOUNT U.S. \$ \_\_\_\_\_

Gentlemen:

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

The 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 and twenty) calendar days prior to the then expiration date that we have elected to not renew this Letter of Credit. Thirty 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 (the "Customer") for grading and pertinent improvements to property located at (address) within Rancho Santa Margarita, California. A drawing under this Credit shall be made by your presenting to us this letter of credit, and demand in writing signed by a person who has been duly authorized to sign on our behalf.

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

- 1) That the customer has failed to comply with the conditions of the grading permit, after fifteen (15) days written notice to the customer demanding the compliance with conditions of said permit or,
- 2) The work authorized by the above Permit has been left in hazardous condition or,
- 3) The work remains incomplete and The City of Rancho Santa Margarita 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 gain 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 other amounts paid to you under this Credit, if any, do not exceed in the aggregate amount of the Credit.

This Credit shall be terminated upon receipt of your letter certifying that the subject grading has been completed in a satisfactory manner.

\* Must be a California Bank  
\*\* Must be at least two (2) years from date of issuance.

\_\_\_\_\_  
Bank

By: \_\_\_\_\_ .

(Authorized Representative)  
(Notarized Signature Required)