

CITY OF GENEVA
MODEL IRREVOCABLE LETTER OF CREDIT

Mayor Kevin R. Burns
and Members of the City Council
City of Geneva
22 South First Street
Geneva, Illinois 60134

Letter of Credit No. _____
For Account of _____
Amount: \$ _____
Date: _____
Expiration Date: _____

We hereby establish in your favor this irrevocable Letter of Credit for the account of _____, (hereinafter "Developer"), and _____, (hereinafter "Owner"), up to an aggregate amount of _____ (\$ _____) which equals One Hundred Fifteen percent (115%) of the cost of the Land Improvements described herein. We understand that this irrevocable Letter of credit is to be used to construct the following onsite and offsite Land Improvements for the development, the Final Plat of which is entitled " _____ ", to be constructed within the City of Geneva, Illinois.

PUBLIC IMPROVEMENTS:

DIVISION "A" - _____
(contract proposal or engineer's estimate =
\$ _____.)

DIVISION "B" - _____
(contract proposal or engineer's estimate =
\$ _____.)

PLUS 15% - _____.

TOTAL = \$ _____.

The above costs for the various divisions are detailed on the attached Engineer's Cost Estimate which has been approved by the City Engineer. The foregoing divisions shall not preclude the City of Geneva (hereinafter sometimes the "City"). from drawing funds allocated for work of one division from another division regardless of whether the work is completed for the division from which the funds are drawn.

The City, through its Director of Public Works and City Engineer jointly, may authorize modifications of the approved sets of plans and specifications without the consent of the undersigned without invalidating this Irrevocable Letter of Credit.

The development is legally described as follows:

SEE EXHIBIT "A"

If we have not been notified by the City of a default by the Owner or Developer, we shall disburse the funds for labor and materials furnished by contractors or the City in accordance with the sworn statement on order of the owner or Developer that such work has been completed, the submission of proper general contractor's affidavits and lien waivers from the contractors and subcontractors engaged in such work and the signature of the Director of Public Works, or his successor, provided however, the total payouts for any division as set forth above shall not exceed ninety percent (90%) of the estimated cost for that division until a Certificate of Completion is issued by the City Council.

The required Land Improvements shall be installed and completed not later than two (2) years after the date of recording of the Final Plat. If we receive a resolution of the corporate authorities of the City indicating that the Owner or Developer has failed to satisfactorily complete the work of the installation and construction of the required improvements, in accordance with the schedule or at a faster pace if the installation of the private improvements shall be completed before public improvements to service them are available, and such resolution indicates that the Owner or Developer has been notified that the City finds that a breach of the Owner's or Developer's obligations has occurred and has not been cured within a period of thirty (30) days after notice to the Owner or Developer, then in such case we shall make payments for materials and labor to such contractor(s) or subcontractor(s) retained by the City or to the City if the City elects to do the work itself, who have completed the improvements in substantial accordance with the plans and specifications of the Owner and Developer, as modified from time to time with the approval of the Director of Public Works and the City Engineer that the work has been completed and the submission of proper waiver of lien from the contractor(s) or subcontractor(s). The amount of payouts shall be in accordance with the retention provisions as previously set out. Each waiver shall be accompanied by a draft for said amount marked "Drawn under Letter of Credit No. _____."

The Irrevocable Letter of Credit established by us shall be in force for a period of two and one-half (2 1/2) years after the date of recording of the Final Plat, and shall remain in effect without regard to any default in payments of sums owed us by the Owner or Developer and without regard to other claims which we may have against the Owner or Developer. Ninety (90) days prior to the expiration of this irrevocable Letter of Credit we shall notify the Corporate authorities of the City, by letter, certified mail return receipt requested, of the impending expiration date. This irrevocable Letter of Credit shall not terminate without such notice. If the work covered by this letter of credit has not been completed within the time set forth herein, the city may at it's option continue drawing funds as otherwise provided for an additional period of one (1) year. It is recognized that the City is according the Owner and Developer the permission to proceed with the development project expressly upon the guarantee of the irrevocable nature of this Letter of credit. It is further acknowledged that the consideration for this irrevocable Letter of credit is provided by agreements between the undersigned financial institution(s) and the Developer. The sum of this credit shall, however, be reduced in the amount of the disbursements authorized by the Director of Public Works and made from time to time in accordance with terms under which this credit is extended as set out above.

Each of the undersigned institutions hereby represents and warrants to the City that it has the full power, right and authority to deliver this irrevocable Letter of Credit, that the same is within all lending limits of such institution, is in accordance with terms on the undersigned institution.

The obligation herein of the undersigned are joint and several.

NAME OF THE FINANCIAL INSTITUTION

By: _____
Name
Title

Attest: _____
Name
Title

STATE OF ILLINOIS)
) SS
COUNTY OF KANE)

I, the undersigned, a Notary Public, in and for the County and State _____ aforesaid, DO HEREBY CERTIFY that _____ personally known to me to be the (title) of the (name of the financial institution), who is personally known to me to be the same person whose name is subscribed to the foregoing Letter of Credit as such (title) and cause the Corporate seal of said (name of the financial institution) to be affixed thereto pursuant to authority given by the Board of Directors thereof, as his/her free and voluntary act and as free and voluntary acts and deed of said institution.

GIVEN under my hand and official seal this _____ day of _____, 20____.

Notary Public

My commission expires: _____ (Seal)