

Letter of Credit No. \_\_\_\_\_ (1)

Dated: \_\_\_\_\_ (2)

Board of Supervisors  
Strasburg Township  
400 Bunker Hill Road  
Strasburg, PA 17579

Dear Members of the Board:

We hereby issue our irrevocable Letter of Credit in favor of the Township of Strasburg, Lancaster County, Pennsylvania (the "Township") for any sum or sums not exceeding \$ \_\_\_\_\_ (3) for the account of \_\_\_\_\_ (4) (hereinafter called "Developer"). This Letter of Credit pertains to the plan of \_\_\_\_\_ (5) which was prepared by \_\_\_\_\_ (6).

Intending to be legally bound, we hereby agree:

1. That demands, in an aggregate amount not exceeding \$ \_\_\_\_\_ (7) accompanied by a document in the form attached hereto and marked Exhibit X (executed by the Chairman or Vice Chairman of the Board of Supervisors), shall be duly honored if presented to us, at our office at \_\_\_\_\_ (8), Pennsylvania, before \_\_\_\_\_ (9) (such date hereinafter referred to as the "expiration date").

2. The expiration date of this Letter of Credit shall be automatically extended for additional one (1) year periods beginning with the expiration date and upon each anniversary of such date, unless at least thirty (30) days prior to such expiration date or each anniversary of such date we notify the Township in writing, by certified mail, addressed to the Township at 400 Bunker Hill Road, Strasburg, PA 17579, that we elect not to renew this Letter of Credit.

3. That for each yearly period that this Letter of Credit is automatically extended beyond \_\_\_\_\_ (10), the amount of this Letter of Credit shall be increased by an additional \$ \_\_\_\_\_ (11) or ten (10%) percent of the outstanding balance, whichever is less, but such increases shall not exceed a total of more than \$ \_\_\_\_\_ (12) in the aggregate in any event.

Payment of this Letter of Credit shall be made without determination of conditions or facts pertaining to related contractual agreements between the Developer and the Township.

In the event of any disputes, we submit to the jurisdiction of the Court of Common Pleas in and for the County of Lancaster, Pennsylvania.

Except as otherwise provided herein, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (2007 Revision), International Chamber of Commerce Publication No. 600 ("UCP"). As to matters not covered by the UCP and to the extent not inconsistent with the UCP, this Letter of Credit shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania, including the Pennsylvania Uniform Commercial Code.

Intending to be legally bound hereby, this Letter of Credit has been executed by a duly authorized officer of the undersigned Bank.

Sincerely,

\_\_\_\_\_(13)

By: \_\_\_\_\_(14)  
(15)

**EXHIBIT X**

TO: \_\_\_\_\_(16)

We hereby demand payment to Township of Strasburg, Lancaster County, Pennsylvania (the "Township"), of the sum of \$ \_\_\_\_\_, and certify that this demand is made because of the failure of \_\_\_\_\_(17) to complete and in order to enable us to complete, to our satisfaction, streets, storm water management facilities, and/or other improvements, and/or to pay any review or inspection fees, and/or to make any capital contributions to the Township and/or receipt by the Township of notice that this letter of credit will not be renewed and Developer has not completed all improvements, paid all inspection and other fees and made all capital contributions in accordance with related contractual agreements between the Township and \_\_\_\_\_(18), in connection with the development known as (19).

TOWNSHIP OF STRASBURG  
Lancaster County, Pennsylvania

By: \_\_\_\_\_  
(Vice) Chairman  
Board of Supervisors

## **INSTRUCTIONS TO COMPLETE LETTER OF CREDIT**

- (1) Number assigned to Letter of Credit by lending institution.
- (2) Date of Letter of Credit.
- (3) Amount of Letter of Credit (must be at least 110% of the cost of streets, storm water management facilities and/or other improvements and capital contributions estimated as of ninety (90) days following the date scheduled for completion by the Developer; this cost estimate must be certified by the Developer's Engineer to be fair and reasonable as required by the Pennsylvania Municipalities Planning Code).
- (4) Full name of developer.
- (5) Name of subdivision or land development.
- (6) Name of firm which prepared subdivision or land development plan.
- (7) Same as No. 3 above.
- (8) Address of lending institution.
- (9) Expiration date of Letter of Credit (may not be less than one (1) year from the date of the Letter of Credit).
- (10) Same as No. 9 above.
- (11) This amount should not be less than ten (10%) percent of the amount of the Letter of Credit (e.g. if the Letter of Credit is for \$100,000.00, this amount should be \$10,000.00).
- (12) This amount should not be less than twenty (20%) percent of the Letter of Credit (e.g. if the Letter of Credit is for \$100,000.00, this amount should be \$20,000.00).
- (13) Name of the lending institution issuing Letter of Credit.
- (14) Signature of officer of lending institution executing the Letter of Credit.
- (15) Printed name and title of officer executing the Letter of Credit.
- (16) Same as No. 13 above.
- (17) Same as No. 4 above.
- (18) Same as No. 4 above.
- (19) Same as No. 5 above.