

LETTER OF CREDIT

South Middleton Township  
520 Park Drive  
Boiling Springs, PA 17007

Applicant: (Name)  
(Address)  
(City, State ZIP)

Date of Issue:

Re: Irrevocable Letter of Credit No.

Amount:

Developer: (If different from the  
Applicant)  
(Name)  
(Address)  
(City, State, ZIP)

Expiration Date:

Beneficiary:

Dear Board of Supervisors:

At the request of \_\_\_\_\_, we hereby extend and issue this irrevocable letter of credit effective this date in favor of South Middleton Township (hereafter called "Township") in the amount of \$ \_\_\_\_\_ available by your draft or drafts at sight drawn on this bank for any sum or sums not exceeding an aggregate of \$ (*amount*) on account of the Developer.

This irrevocable letter of credit has been issued at the request of the Developer in order to secure the performance and completion of improvements as required by the Township and depicted on the (*Project*) Development Plan (*specify plan #*).

Funds under this irrevocable letter of credit are available to you by means of drafts at sight accompanied by your written certification of the failure of the Developer to fully install and complete the improvements as depicted on the above-referenced Plan and/or as required by any related agreement with the Township pertaining to improvements.

Such certification must indicate the amounts payable to you from the account of the Developer and all drafts so drawn must be marked drawn under the number of this irrevocable letter of credit set forth above.

Payment of this irrevocable letter of credit shall be made without determination of condition or facts pertaining to any related contractual agreements between the Developer and the Township. We specifically agree that your drafts will be honored regardless of any objection made by the Developer or any third party, even if said objections indicate that all of the required improvements have been completed. In the event we refuse or fail to honor any drafts in violation of the foregoing, we will be responsible for reasonable attorneys' fees incurred by you in enforcing your right to payment under the terms hereof. It shall be the responsibility of the Developer and/or applicant to resolve any disputes with the Township and payments on drafts will not be withheld as a result of any such disputes.

This letter of credit will survive and continue in the event of a transfer of the project identified as (*Plan name and #*) to a new owner, and also in the event of corporate dissolution. The entity issuing this letter of credit, (*institution name*) shall give notice to the Township in the event of either of the above circumstances.

The Expiration Date noted above shall be automatically extended without any amendment hereto for an additional period of one (1) year from the Expiration Date and for additional periods of one year from each anniversary of the Expiration Date unless at least sixty (60) days prior to the Expiration Date or each anniversary of the Expiration Date, as the case may be, we notify you in writing by certified mail, return receipt requested, addressed to you at 520 Park Drive, Boiling Springs, PA 17007, that we elect not to renew this letter of credit. If we give such notice, this letter of credit shall expire and be considered cancelled on the Expiration Date or the anniversary of the Expiration Date, whichever the case may be.

This irrevocable letter of credit is subject to the Uniform Customs and Practice for Documentary Credits (1996 Revision) International Chamber of Commerce Publication Number 500.

We specifically agree that the laws of the Commonwealth of Pennsylvania shall control any and all arising hereunder. We further agree to jurisdiction in Cumberland County, Pennsylvania and the appellate courts of the Commonwealth.

Intending to be legally bound hereby, this irrevocable letter of credit has been executed by a duly authorized officer of the undersigned bank.

Any and all correspondence regarding the letter of credit should be addressed to:

Name:  
Title:  
Bank Branch Address:  
Bank Branch Telephone Number:

ATTEST:

\_\_\_\_\_ By: \_\_\_\_\_  
Name  
Title

**MUST BE ACCOMPANIED BY  
CORPORATE DOCUMENT(S)  
ESTABLISHING PROOF OF AUTHORITY  
TO BIND THE INSTITUTION.**