

Appendix H -

(To be typed on bank letterhead)

Letter of Credit

_____, 20____

Plat Officer
Village of Hennepin
627 East High St.
P.O. Box 194
Hennepin, Illinois 61327

Dear Plat Officer:

We, The _____ (issuer),
(Name of Bank of Savings and Loan)
insured by FDIC/FSLIC (Strike one), hereby establish our irrevocable letter of credit in favor of
the Village of Hennepin (beneficiary) and authorize the Hennepin Plat Officer, or his/her
successor in office, to draw on us at sight for the account of _____ customer
(Developer/Owner)
aggregate amount of _____
(Total amount from Engineer's estimate)
Dollars (\$ _____)

We understand that this irrevocable credit is to be used to construct certain improvements
required be law in the development known as _____,
in _____ Township, Putnam County, Illinois; legally described as follows:

(Insert legal description)

We understand that the sum of this letter of credit is derived from an estimate of
_____, a licensed and registered engineer in the State of Illinois.
(Engineer)

This engineer has itemized his/her estimate as follows:

<u>Line Item</u>	<u>Cost Estimate</u>
A) Demolition and debris removal	\$ _____
B) Soil erosion and sediment control	\$ _____
C) Earthwork improvements	\$ _____
D) Drainage improvements	\$ _____
E) Roadway improvements	\$ _____
F) Water supply and treatment facilities	\$ _____
G) Water main improvements	\$ _____
H) Waste water treatment facility	\$ _____
I) Sanitary sewer improvements	\$ _____
J) Landscaping improvements	\$ _____
K) Off-site roadway improvements	\$ _____
L) Other off-site improvements	\$ _____
M) Soil erosion maintenance	\$ _____
N) Construction engineering services	\$ _____
Sub-Total	\$ _____
Total (Sub-Total x 1.20)	\$ _____

We understand that this letter of credit agreement may be modified in that the aggregate sum of credit may be reduced by eliminating the cost of a line item described in the Engineer's cost estimate from the aggregate sum as follows:

- a. The City Engineer or his agent or successor in office, must certify in writing to _____ that the work described in a particular line item has been properly (Name of Bank) completed.
- b. The Plat officer for the Village of Hennepin must state in writing to _____ (issuer) the Village of Hennepin (beneficiary) consents to (Name of Bank) a modification of the letter of credit agreement and must state; the amount of reduction; which line item is affected; and, the amount of the aggregate sum of credit remaining as modified.

We understand that under no circumstances may the aggregate amount of this letter of credit be reduced below ten percent (10%) of the total cost estimate, a sum of _____ (10% of Total)
Dollars (\$_____). The sum of _____ (10% of Total)
Dollars (\$_____), will remain forever and always available to the Village of Hennepin throughout the life of this letter of credit, a period of four (4) years from the date of issuance.

In no event will a draft be honored pursuant to this letter of credit unless the Village of Hennepin Plat Officer presents a notification of the customer's failure to satisfactorily complete or carry on the work of the customer's failure to satisfactorily complete or carry on the work of the installation and construction of the required improvements. The notification from the Plat Officer to the issuer shall be substantially in the form as found in Notice of Default Form.

We understand that ten percent (10%) of the aggregate sum of this letter of credit, a sum of _____ dollars (\$_____), is to be used to make any additional repairs or modifications for a period of one (1) year after all of the improvements required by law have been completed.

We understand that the work is scheduled for completion as follows:

<u>Line Item</u>	<u>Date of Completion</u>
A) Demolition and debris removal	_____
B) Soil erosion and sediment control	_____
C) Earthwork improvements	_____
D) Drainage improvements	_____

- E) Roadway improvements
- F) Water supply and treatment facilities
- G) Water main improvements
- H) Waste water treatment facility
- I) Sanitary sewer improvements
- J) Landscaping improvements
- K) Off-site roadway improvements
- L) Other off-site improvements
- M) Soil erosion maintenance
- N) Construction engineering services

This irrevocable credit established by us _____ (Bank or Savings and Loan)
 in force for a period of four (4) years, and shall remain in effect without regard to any
 default in payments of sums owed to us, _____ (Bank or Savings and Loan),
 by our customer _____ and without regard to other
 claims which we may have against _____.

Sixty (60) days prior to the expiration of this irrevocable credit, we shall notify the Village of Hennepin, by registered letter addressed to the Plat Officer of the Village of Hennepin, return receipt requested, of the impending expiration date. This commitment shall not terminate, regardless of any other provision contained herein, without the Village of Hennepin Plat Officer being notified in writing by registered or certified mail sixty (60) days prior to expiration

We understand that the Village of Hennepin is granting to our customer _____ the permission to record a plat of subdivision, and
 proceed with the development of the subdivision in conformity therewith upon the
 guarantee of the irrevocable nature of this commitment. We hereby acknowledge

_____ (Bank of Savings and Loan)
 that the consideration for this irrevocable credit commitment is provided by agreements
 between us _____ (Bank of Savings and Loan), and our customer,
 _____ (Developer/Owner).

The undersigned institution hereby represents and warrants 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 this institution, and is binding, in accordance with the terms contained herein, on the undersigned institution.

We understand that nor oral modification of this letter of credit will be effective and that it contains the entire agreement between the Village of Hennepin and _____ (issuer). We also understand that the laws of the State (Bank of Savings and Loan) of Illinois will control.

Issuance dated this _____ day of _____, 20____

(Bank of Savings and Loan)

By: (Type or Print Name)_____

(Signature)_____

Title:_____

Attested by: (Type or Print Name)_____

(Signature)_____

Title:_____

State of Illinois)
Village of Hennepin)SS

This instrument was acknowledged before me on _____ (Date) by
_____ as _____
(Name/s of Person/s) (Type of Authority, e.g. Officer, Trustee, etc)
of _____
(Name of party on behalf of whom instrument was executed)

(Seal)

(Signature of Notary Public)