

IRREVOCABLE LETTER OF CREDIT

(Subdivisions and A&SA)

This is an irrevocable letter of credit issued by _____(ISSUER) which is intended to secure the performance of an agreement dated _____ between _____ (DEVELOPER) and the County of Santa Clara (COUNTY) for the construction of certain improvements on _____ and to secure payment to contractors, subcontractors, and to persons furnishing labor, materials or equipment on said project.

This letter of credit is in an amount of \$_____. Upon presentation of a written statement signed by the County Surveyor that DEVELOPER has failed to satisfactorily complete and pay for the aforesaid improvements or that a claim has been filed and is payable pursuant to the provisions of Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the California Civil Code, or that DEVELOPER has failed to satisfy the guarantee of work performed, ISSUER shall pay to COUNTY an amount not to exceed \$_____.

This letter of credit shall remain in full force and effect throughout the term of the agreement between DEVELOPER and COUNTY; provided, that upon completion and acceptance of the improvements by COUNTY the amount of the letter of credit shall be reduced to \$_____. Thereafter, an amount of \$_____ shall be available under the terms of the letter for payment of any claims filed pursuant to Title 15 of Part 4 of Division 3 of the California Civil Code within ninety (90) days of completion and acceptance of the improvements by COUNTY.

ISSUER hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement between DEVELOPER and COUNTY or the specifications accompanying the same shall in any manner affect ISSUER'S obligation hereunder, and ISSUER hereby waives notice of any such change, extension, alteration or addition.

COUNTY does hereby indemnify and hold harmless ISSUER from and against any claim or liability arising out of ISSUER'S disbursement of funds to COUNTY hereunder.

COUNTY as beneficiary hereunder may assign its rights to any successor in interest.

Dated: _____

DEVELOPER

ISSUER

Bank Name: _____

By _____

Title: _____