

[ISSUING BANK'S LETTERHEAD]

IRREVOCABLE LETTER OF CREDIT

Date of Issue: _____
Issuing Bank: _____
Letter of Credit No.: _____
Amount: _____
Issuing Bank Address: _____

BENEFICIARY:

City of Thornton ("City")
9500 Civic Center Dr.
Thornton, CO 80229-4326

Ladies and Gentlemen:

BY ORDER OF:

[NAME OF APPLICANT]

We (hereafter, "We" or "Us", as the context dictates) hereby establishes this Irrevocable Letter of Credit in favor of the City for an amount up to the aggregate sum of _____ U.S. dollars. We also certify that we are a member of the Federal Depository Insurance Corporation (FDIC) and we are uninvolved in the letter of credit itself, such that no party involved in the letter of credit is a board member or relative of a board member of this financial institution.

Funds under this Letter of Credit are available to the City by presentation to Us at the above address by the City's draft or drafts drawn at sight on Us containing the number of this Letter of Credit as set forth above.

To comply with the drawing requirements of this Letter of Credit, any draft presented under this Letter of Credit must be accompanied by a letter, appearing to be on the City's letterhead, and purporting to be signed by the City Manager or the Acting City Manager, stating the following:

"The City of Thornton (the "City") hereby demands payment in the amount of the draft accompanying this statement as **[NAME OF DEVELOPER]**, its successor, transferee, or assignee, has failed to meet its obligations under the terms of that certain Developer's Agreement for the **[NAME OF SUBDIVISION]** dated **[CALENDAR DATE AND YEAR]** and the City has informed the Developer or its successor, transferee or assignee of such failure."

Demands for payment by the City under this Letter of Credit shall be deemed timely made if presented by U.S. mail, express mail, courier, or by hand delivery to Us at the above address, on or before the Final Expiration Date (as defined below).

This Letter of Credit expires at the above office on **[CALENDAR DATE AND YEAR]**, but such expiration date shall be automatically renewed, without written amendment, to **[Same CALENDAR DATE but no year]** in each succeeding calendar year

unless We have sent written notice to the address above by registered mail or express courier (and such notice shall be received by the city at least ninety (90) calendar days before the then current expiration date) that We elect not to renew this Letter of Credit beyond the then current Expiration Date (the "Final Expiration Date"); provided however, if such notice is received by the city after the date which is 90 calendar days before the then current expiration date, such notice shall be deemed void with respect to the then current expiration date but will be deemed valid and shall apply with respect to the (Same CALENDAR DATE but no year) that is one year after the then current expiration date and such (Same CALENDAR DATE but no year) shall be deemed to be the **FINAL EXPIRATION DATE**. Upon the City's receipt of such Notice of Non-renewal of this Letter of Credit, the City may also draw under this Letter of Credit by presentation to Us at our above address, on or before the Final Expiration Date specified in such notice, of your draft drawn on Us at sight containing the number of this Letter of Credit as set forth above, accompanied by a letter, appearing to be on the City's letterhead and purporting to be signed by the City manager or the Acting City manager, stating the following:

"The City of Thornton (the "City") hereby demands payment of the amount of the draft accompanying this statement as the City has received notice that letter of credit number [**Specify Letter of Credit Number**] issued by [**Name of Issuing Bank**] (the "letter of Credit") will not be renewed beyond its current Expiration Date for an additional term of at least one year, a replacement acceptable to Us for the Letter of Credit has not been received by Us, and [**NAME OF DEVELOPER**], its successor, transferee, or assignee, is still obligated to the City under the Developer's Agreement for the [**NAME OF SUBDIVISION**] dated [**CALENDAR DATE AND YEAR**]."

Partial and multiple drawings are permitted under this Letter of Credit.

If any instructions accompanying a drawing under this Letter of Credit requests that payment is to be made by transfer to an account with Us or at another bank, We and/or such other bank may rely on an account number specified in such instructions.

We hereby agree with the City that drafts presented to Us at our above address under and in compliance with the provisions of this Letter of Credit will be processed by Us in good faith and duly honored. Nothing herein is intended to be, either express or implied, a restriction or limitation on the City's use of any drawing proceeds received under this Letter of Credit.

We further agree that the exclusive venue for any legal action concerning this Letter of Credit shall be the District Court for Adams County Colorado. We further agree that the procedural and substantive laws of the state of Colorado shall apply to any such action.

We further agree that in the event the City brings an action against Us to enforce the terms of this Letter of Credit, or brings an action against Us alleging wrongful dishonor of a drawing under this Letter of Credit, and the City prevails in such action, the City shall be entitled to recover its reasonable attorney's fees and all costs and expenses associated with such litigation after appeals, if any, if such judgment results in a final, non-appealable judgment in favor of the City. We further agree that if we bring an action against the City related directly or indirectly to this Letter of Credit, and the City prevails in such action, the City shall be entitled to recover its reasonable attorney's fees and other costs of such litigation after appeals, if

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