

Letter of Credit No. _____ (1)

Dated: _____ (2)

Township of Warwick
315 Clay Road
P.O. Box 308
Lititz, PA 17543-0308

Dear Members of the Board:

We hereby issue our irrevocable Letter of Credit in favor of the Township of Warwick, 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 _____, in person or by a recognized overnight delivery service provider on or 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 Warwick Township, 315 Clay Road, P.O. Box 308, Lititz, PA 17543-0308, 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.

Except as otherwise provided herein, this letter of credit is subject to the International Standby Practices of 1998, International Chamber of Commerce Publication 590 ("ISP98"). As to matters not covered by the ISP98 and to the extent not inconsistent with the ISP98, 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.

Upon presentation to us of the certificate attached hereto as Annex A appropriately completed and signed by the Chairman or Vice Chairman of the Board of Supervisors of the Township, the amount available under this Letter of Credit shall be irrevocably reduced as authorized in such certificate.

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 Warwick, 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 inspection fees, and/or to make any capital contributions to the Township in accordance with related contractual agreements between the Township and _____
_____ (18), in connection with the development known as _____
_____ (19).

TOWNSHIP OF WARWICK

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) Street address of lending institution including Zip Code.
- (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.

ANNEX A

Authorization for Reduction

Name of Bank

Address of Bank

RE: Letter of Credit No. _____

To Whom it May Concern:

The undersigned hereby certifies on behalf of the Township of Warwick, Lancaster County, Pennsylvania (the "Township"), that a portion of the work for _____ (1) has been completed by _____ (2) to the satisfaction of the Township.

In recognition of the satisfactory completion of this portion of the work, the Township hereby agrees to the reduction of Letter of Credit No. _____ (3) by \$ _____ (4). The balance available under the Letter of Credit after such reduction is \$ _____ (5).

This authorization to reduce the amount of the Letter of Credit should not be construed as final acceptance of the work or a waiver of the Township's right to obtain and enforce a maintenance guarantee upon the completion of the work.

TOWNSHIP OF WARWICK

By: _____
(Vice) Chairman
Board of Supervisors

Instructions to Complete Annex A

- (1) Name of subdivision or land development
- (2) Full name of developer
- (3) Number assigned to Letter of Credit by lending institution.
- (4) Amount of reduction of Letter of Credit.
- (5) New outstanding balance after the reduction.