

**IRREVOCABLE LETTER OF CREDIT NO. \_\_\_\_\_**

ISSUE DATE: \_\_\_\_\_

PROJECT NAME: \_\_\_\_\_ (hereinafter "DEVELOPMENT")  
Town of Middleton, Dane County, WI

DEVELOPER'S NAME: \_\_\_\_\_ (hereinafter "DEVELOPER")

BENEFICIARY: Town of Middleton  
Attn: Town Clerk  
7555 W. Old Sauk Road  
Verona, WI 53593

We hereby establish our Irrevocable Letter of Credit in favor of the Town of Middleton, available by your drafts at sight on \_\_\_\_\_, (hereinafter the "BANK") located at \_\_\_\_\_ (Bank Address), Wisconsin, for a sum or sums not to exceed a total amount of \_\_\_\_\_ Dollars (\$\_\_\_\_\_) for the account of DEVELOPER.

Drafts will be honored by the BANK within five (5) business days when evidence that an official written demand by the Town of Middleton had been made to have the DEVELOPER complete certain work and/or pay certain costs to contractors, subcontractors, laborers, or suppliers for work and/or materials furnished, evidence of the failure, refusal, or inability to complete certain work and/or pay contractors, subcontractors, laborers, or suppliers; and/or evidence of the failure, refusal or inability to pay for legal, administrative, engineering, inspection, testing services, park fees, and/or Airport Road impact fees, in accordance with the Developer Agreement regarding improvements in the DEVELOPMENT, dated \_\_\_\_\_. Replacement or extended Letters of Credit must be received by the beneficiary 14 days prior to expiration date.

Upon written request by the DEVELOPER and determination by the Town Board, upon recommendation of the Town Engineer, that the DEVELOPER has reached substantial completion of public improvements within the DEVELOPMENT, the Town Board, at its discretion, may allow the DEVELOPER to reduce the Letter of Credit to no less than fifteen percent (15.0%) of the original amount during the warranty period for completed items. The letter of credit that has been reduced must also include 125% of those items that are not completed or satisfied.

Your drafts must be accompanied by the following:

- (1) The original Letter of Credit and subsequent Amendments.
- (2) Dated beneficiary statement signed by the Town Clerk warranting that the DEVELOPER has failed to meet its monetary obligation.

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Issue Date: \_\_\_\_\_

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Partial drawings are permitted. All drafts drawn must be marked: "Drawn under \_\_\_\_\_  
\_\_\_\_\_ (Bank Name), Letter of Credit No. \_\_\_\_\_, dated \_\_\_\_\_  
\_\_\_\_\_."

Except to the extent otherwise expressly stated herein, this credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500.

BANK hereby engages with DEVELOPER that all drafts drawn under and in compliance with the terms and conditions of this credit will be duly honored upon presentation to \_\_\_\_\_

\_\_\_\_\_ (Bank Name/Address/Telephone Number), on or before the Expiration Date (\_\_\_\_\_  
\_\_\_\_\_). Notwithstanding such Expiration Date, however, it is a condition of this credit that it shall not expire until 60 days after written notice to BENEFICIARY, by courier or other receipted means, that it is about to expire.

This Letter of Credit is for \_\_\_\_\_ (Plat name) and the Developer Agreement costs related to Placement of Interior Lot and Corner Monuments, Street and Stormwater Management Improvements, Landscape Plan Improvements, Recreational Trail Construction, Removal of Non-Native and Invasive Species from Lands to be Dedicated to the Town, and past due engineering, legal or administrative costs, and review costs. Any payments and/or disbursements to BENEFICIARY made by the BANK pursuant to a Line of Credit to the DEVELOPER for the subject matter herein shall be an automatic reduction to the principal amount of the Letter of Credit.

\_\_\_\_\_ (signature)

\_\_\_\_\_ (print name)

Authorized Representative of the BANK

\_\_\_\_\_ (institution name)