

**PUBLIC IMPROVEMENTS LETTER OF CREDIT**  
(To Be Used With LDICA, Subdivision Agreement, or Construction/Excavation Permit)

Date: \_\_\_\_\_, 20\_\_

City of Victorville  
Engineering Department  
14343 Civic Dr  
Victorville, California 92392  
Telephone: (760) 955-5158  
Attention: \_\_\_\_\_

**SUBJECT: IRREVOCABLE STAND-BY LETTER OF CREDIT NO. \_\_\_\_\_**  
**FOR TRACT MAP NO.: \_\_\_\_\_ & CASE NO.: \_\_\_\_\_**

**Issuer:**  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Phone No.: \_\_\_\_\_

**Beneficiary:**  
City of Victorville  
14343 Civic Dr  
Victorville, CA 92392  
(760) 243-6354

**Applicant:**  
Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
City/State/Zip: \_\_\_\_\_  
Phone No.: \_\_\_\_\_

**Amount:** \_\_\_\_\_ (\$ \_\_\_\_\_) for  
the performance, labor and materials, and warranty of the public improvements of \_\_\_\_\_  
\_\_\_\_\_ Improvements.

At the request of \_\_\_\_\_ (the "Applicant"), \_\_\_\_\_  
\_\_\_\_\_ (the "Issuer") doing business under and by virtue of the laws  
of the State of California and duly licensed to conduct a notation credit business in the  
State of California, as financial institution, establishes an Irrevocable Letter of Credit in  
favor of the Applicant, available in accordance with the terms and conditions set forth  
herein.

This Irrevocable Letter of Credit is a notation credit. Each draft shall be endorsed on  
the reverse of this Letter of Credit. Each draft or an attached writing shall indicate that  
such notation has been made and this irrevocable Letter of Credit shall be attached to  
the last draft when the credit is exhausted.

The sum or sums of all sight drafts drawn under this irrevocable Letter of Credit shall  
not exceed the total of \_\_\_\_\_ (U.S. \$ \_\_\_\_\_) (the  
"Original issuance Amount").

The Applicant's drafts drawn on \_\_\_\_\_  
(the "Issuer") at sight which shall be negotiated on or before the expiration date (which

may be automatically extended as set forth in this Letter of Credit) and each of which shall state upon its face, "Drawn under Letter of Credit No. \_\_\_\_\_, dated \_\_\_\_\_, 20\_\_\_\_\_, of collateral for street, sewer, storm drain, traffic signal, landscaping improvements and monumentation for performance, labor and materials, and warranty purposes pursuant to that certain Subdivision Improvement Agreement dated \_\_\_\_\_, 20\_\_\_\_\_, between Applicant and Beneficiary.

The issuer shall promptly honor the sight drafts drawn on it, for all or any portion of the credit in an amount determined by the City of Victorville (the "Beneficiary") in its sole discretion. The issuer shall honor the drafts if one of the following occurs: (1) the Beneficiary supplies the issuer with a signed statement (the "Certification") executed by a duly appointed official of the Beneficiary in the form of a letter on the City of Victorville's letterhead, stating that the Applicant has failed to conform with the terms of the Agreement, dated \_\_\_\_\_, 20\_\_\_\_\_, pursuant to which this Letter of Credit was required by the Beneficiary; or (2) the issuer's rating is downgraded to a rating below A-3, as determined by Moody's Investors Corporation Service or the equivalent, as set forth in this Letter of Credit.

The issuer shall be deemed to have received notice of a signed statement as set forth when the statement is actually received by the issuer.

If the Beneficiary presents a statement to the issuer at or before \_\_\_\_\_ p.m. (California time) on Business Day and provided that such statement conforms to the terms and conditions set forth in this Letter of Credit, then the issuer shall make payments to the Beneficiary in immediately available funds on the same Business Day. If the Beneficiary presents a statement after the designated time on a Business Day and provided that such statement conforms to the terms and conditions set forth in this Letter of Credit, then the issuer shall make payment to the Beneficiary in immediate available funds not later than the next succeeding Business Day. If demand for payment does not conform to the terms and conditions of this Irrevocable Letter of Credit, then the issuer shall give the Beneficiary written notice, including an explanation, of such noncompliance. The Beneficiary, after receiving such notification, may attempt to correct any nonconforming demand for payment. The term "Business Day" for purposes of this paragraph, shall mean any day on which national banks located in the State of California are not required or authorized to be closed.

If the rating of the issuer of this Letter of Credit is downgraded to a rating lower than A-3 by Moody's Investor's Corporation Service or the equivalent by Standard and Poor's Corporation, then the City of Victorville (the "Beneficiary") shall have the right to draw the entire amount of this Letter of Credit. The Beneficiary's right to draw the entire amount of this Letter of Credit shall occur immediately following the downgrading of the issuer's rating. Provided, however, the Applicant shall first have the opportunity to provide the Beneficiary with a replacement letter of credit, meeting all of the requirements of this Letter of Credit prior to the date of such draw.

In the event the Beneficiary deems it necessary to present this Letter of Credit, the Beneficiary shall provide the issuer with the draw and the necessary Certification, as set forth above.

This Irrevocable Letter of Credit shall expire on \_\_\_\_\_, 20\_\_\_\_\_. The expiration date of this irrevocable Letter of Credit shall be deemed automatically extended without amendment, unless the issuer provides the Beneficiary with written notice at least sixty (60) days prior to the present expiration date by registered mail that this Irrevocable Letter of Credit will not be renewed. If the Irrevocable Letter of Credit is extended automatically, then the Issuer may thereafter terminate this Irrevocable Letter of Credit at any time upon providing the Beneficiary with written notice at least sixty (60) days prior to such termination.

All communications to the Applicant, the Beneficiary or the Issuer concerning this Letter of Credit shall be in writing and shall be delivered to the addresses set forth in this Letter of Credit. The parties may change the address set forth by providing written notice of such change to the other parties.

The Issuer of this Irrevocable Letter of Credit agrees with the drawers, endorsers and good faith holders of drafts drawn and negotiated in compliance with the terms of this Letter of Credit, that such drafts shall be duly honored upon due presentation to the Issuer.

This Irrevocable Letter of Credit sets forth the terms of the Issuer's undertaking to the Applicant. References in this Letter of Credit to other documents or instruments are for identification purposes only and such reference shall not modify or affect the terms or cause such documents or instruments to be deemed incorporated herein.

This Irrevocable Letter of Credit, except as otherwise expressly provided, shall be governed by the Uniform Customs and Practice for Documentary Credits (1994 Revision), International Chamber of Commerce, Publication No. 500 (hereinafter the "UCP") in effect at issuance date. Notwithstanding Article 17 of the UCP, if this Letter of Credit expires during an interruption of business as described in Article 17 of the UCP, the Issuer agrees to effect payment if this Letter of Credit is drawn against within sixty (60) days after the resumption of business. To the extent consistent with the UCP or issues not expressly addressed in the UCP, the laws of the State of California shall govern.

\_\_\_\_\_  
**Issuer Name**

By: \_\_\_\_\_  
Authorized Signature  
Title: \_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signature  
Title: \_\_\_\_\_