

City of Lancaster
P.O. Box 1599
120 North Duke Street
Lancaster, PA 17608-1599
Attention: Bureau of Planning

RE: LETTER OF CREDIT NO. _____

Dear Sir or Madam:

We hereby issue our irrevocable Letter of Credit in favor of the City of Lancaster (the "City") for any sum or sums not exceeding \$_____.00 for the account of _____, a Pennsylvania partnership (hereinafter called "Developer"). This Letter of Credit pertains to the plan for the

_____ project situated in the City of Lancaster and Commonwealth of Pennsylvania, as prepared by _____, dated _____, 20____, as revised, Dwg. No. _____.

Intending to be legally bound, we hereby agree:

1. That demands, in an aggregate amount not exceeding \$_____.00 accompanied by a document in the form attached hereto and marked Exhibit "A" (executed by the Director of Public Works, Chief City Planner or their authorized representative of the City of Lancaster) shall be duly honored if presented to us, at our main office at _____, Pennsylvania, _____, 20____ (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 deposit in the United States Mail by certified mail, postage-prepaid, return receipt requested, a notice of our election not to extend this Letter of Credit, addressed to the City of Lancaster, Attention: Bureau of Planning, City of Lancaster, P.O. Box 1599, 120 North Duke Street, Lancaster, PA 17608-1599, with a copy deposited in the United States Mail, by first class mail addressed to Barry Handwerger, Esq., 22 South Duke Street, Lancaster, Pennsylvania 17602.
3. That for each yearly period that this Letter of Credit is automatically extended beyond the expiration date as provided above, the amount of this Letter of Credit shall be increased by an additional 10% of the Current Balance, but such increases shall not exceed a total of more than \$_____.00 in the aggregate.

From time to time, hereafter, the City of Lancaster may, in its sole and absolute discretion, decrease in writing, the amount for which we are obligated under this Letter of Credit to a sum less than \$ _____.00 depending upon partial completion of required improvements at the _____ Project to the City's satisfaction. In those cases, the current amount to which the City has reduced our obligation, hereunder, at the time of a specific extension, shall be considered the Current Balance at that time for the purpose of the increase referred to above.

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 City.

Intending to be legally bound hereby, this Letter of Credit has been executed by a duly authorized officer of the undersigned Bank.

Sincerely,

EXHIBIT "A"

TO: _____ BANK

We hereby demand payment to the City of Lancaster for the sum of _____ \$
_____ and certify that this demand is made as a result of the failure of
_____ to complete, and in order to enable us to
complete to our satisfaction, required improvements for the land development
known as the _____ Project, situated in the City of
Lancaster, Pennsylvania.

CITY OF LANCASTER, PENNSYLVANIA

BY: _____
Director of Public Works

DATE: _____