NOTICE: THIS DOCUMENT IS A MODEL ONLY, PLEASE RETYPE ON THE LETTERHEAD OF THE ISSUING BANK

IRREVOCABLE STANDBY LETTER OF CREDIT

_____, 20_____

Village of_____, Illinois
Attention: Village Clerk

Re: _____ (Subdivision)(Public Work), herein "Project"

Gentlemen:

This is to certify that _____ (herein "Bank") has established this Irrevocable Standby Straight Commercial Letter of Credit for the benefit of the Village of_____, Illinois (herein "Village") in the amount of _____ ($_____), being the "Funds" equal to one hundred fifteen percent (115%) of the estimated costs of certain required bonded improvements (herein "Improvements") to be constructed and installed by [insert name of Master Developer] (herein "Developer") in connection with the above-captioned Project.

The Funds represent a guarantee of the installation and construction of the Improvements as well as a fifteen percent (15%) maintenance guarantee of the materials and workmanship used in the installation and construction of the Improvements for a period of one (1) year after such improvements have been accepted by the President and Board of Trustees of the Village and become the property of the Village.

This Letter of Credit shall remain irrevocable and in full force and effect for the minimum period of twenty-four (24) months from the date hereof and shall not then terminate or expire unless the Bank first shall have given a forty-five (45) day notice of expiration to the Village's Village Clerk, at the address set forth below. In no event shall this Letter of Credit terminate or expire until the date that is forty-five (45) days after such notice of expiration has been given by the Bank to the Village Clerk of the Village.

The entire amount of Funds represented by this Letter of Credit is available and shall be payable to the Village upon presentment hereof with a sight draft of the Village accompanied by a certificate of either the Village's Village Treasurer or Deputy Village Treasurer or Village Engineer to the effect of any one or more of the following:

a. That all or any amount of the Funds drawn represents monies payable to accomplish payment for the construction of those Improvements that the Developer has failed to construct, install, and/or pay for;

b. That all or any amount of the Funds drawn represents monies necessary to pay for the correction of: Defects in workmanship, workmanship accomplished contrary to plans approved by the Village Engineer of the Village, and/or defects in materials and/or for the maintenance of the Improvements;

c. That all or any amount of the Funds drawn represents monies payable to the Village as a result of non-renewal of this Letter of Credit by the Developer and that less than 30 days remain before the expiration date of this Letter of Credit; and/or

d. That all of the remaining amount of Funds represented by this Letter of Credit is being drawn because of the insolvency of the Developer.

If this Letter of Credit is drawn upon by the Village, it may be drawn upon without notice; and, if any obligation of the Developer remains uncompleted or has been accomplished in an unsatisfactory manner, without taking any further action whatsoever the Village may hold all of the Funds so drawn as security for the satisfactory completion of all such obligations or employ the Funds to complete all such obligations and reimburse the Village for any and all costs and expenses incurred by the Village, including but not limited to legal fees and administrative costs, as the Village shall determine.

For purposes of this Letter of Credit, "insolvency of the Developer" shall have occurred, if the Developer shall: (i) admit in writing its inability to pay its debts generally as they become due; (ii) have an order for relief entered in any case commenced by or against it under the federal bankruptcy laws, as now or hereafter in effect; (iii) commence a proceeding under any other federal or state bankruptcy, insolvency, reorganization or other similar law, or have such a proceeding commenced against it and either have an order of insolvency or reorganization entered against it or have the proceeding remain undismissed and unstayed for sixty (60) days; (iv) make a general assignment for the benefit of its creditors; (v) petition for or consent to the appointment of a receiver, custodian, trustee or liquidator of itself or of the whole or any substantial part of its property; and/or (vi) cease to install the Improvements for a period of more than six (6) months.

Any notice required or permitted under this Agreement shall be in writing and shall be given when personally delivered by courier or when deposited in United States mail via certified mail — return receipt requested, addressed: If to the Village: Village Clerk, Village of, _____ Road, _____, IL 6____; or, if to the Bank: _____ Street, _____ , IL 6_____, Attention: _____.

This Letter of Credit shall be governed by the laws of the State of Illinois. However, to the extent the terms hereof are inconsistent with those laws, the terms hereof shall govern and control. Upon the expiration of this Letter and failure of the Village to draw upon this Letter of Credit as set forth hereinabove, the rights of all persons to draw upon undisbursed Funds remaining in this Letter of Credit shall cease and terminate.

Bank: _____

Attest: (SEAL)

By: _____ _____

Its _____ Its _____

Accepted this _____ day of _____, 20___.

Village of _____

Attest: (SEAL)

By: _____ _____

Mayor Village Clerk