

[TRANSCRIBE THIS FORM ONTO FINANCIAL INSTITUTION'S LETTERHEAD]
(Letter of Credit – RTH/PRU)

Date _____
Irrevocable Letter of Credit No. _____

Mayor and Council of Rockville
City of Rockville
111 Maryland Avenue
Rockville, Maryland 20850

The Mayor and Council of Rockville and (name of any non-stock corporation to which common area on which improvements are to be constructed or installed is to be conveyed):

We hereby issue in your favor this irrevocable letter of credit upon which you may draw up to an aggregate amount of _____, available upon the production of a written demand for payment and a written statement by the City Manager of Rockville, or his designee, that _____ failed to complete the

(Name of Permittee/Developer)

work authorized and/or required by _____ to be

(RTH Development No. or PRU No.)

performed on common property to be conveyed to a Maryland non-stock corporation, the "owner". The work required includes all conditions and terms of the approved application for the aforesaid _____

(RTH Development No. or PRU No.)

as well as the obligation of _____

(Permittee/Developer)

and his/her/its agents and servants to:

(a) Faithfully complete the construction and installation of any required improvements to the property to be conveyed to the owner within the period of time specified in the approval of the application to which they pertain.

(b) Comply with all the applicable ordinances and requirements of the City.

(c) Save harmless the Mayor and Council of Rockville, Maryland and the aforementioned owner from any expense incurred through the failure of _____, his/her/its agents or servants to complete the

(Permittee/Developer)

required improvement(s) or from any damages growing out of the negligence of _____ or his/her/its agents or servants.

This letter of credit shall be valid, and our obligations hereunder shall continue uninterrupted, for a period of three years following the date of issuance indicated above, provided that date this letter of credit shall automatically be extended for an additional on year period and shall further be automatically extended annually for additional on year period, unless _____

(Name of Financial Inst.)

notifies the City Manager by registered letter at least thirty (30) days prior to such initial or subsequent expiration date that this letter of credit will not be extended for such additional period. We further agree that no change, extension of time, alteration or addition to the work to be performed or to the plans or specifications relating to the same, shall in any way affect our obligation under this letter of credit, and we specifically waive notice of any such change, extension of time, alteration, or addition.

We further agree that all demands for payment made under and in compliance with the terms and conditions of this letter of credit will be duly honored by us and that no defenses that may be available to the permittee will be asserted against any demand for payment made hereunder.

NAME OF FINANCIAL INSTITUTION

By: _____
(Please type or print name and title)

SAMPLE