

(PERFORMANCE LETTER OF CREDIT)

(SITE PLAN AND SUBDIVISION IMPROVEMENTS)

WORDS IN PARENTHESES AND UNDERLINED ARE INSTRUCTIONS. ANY VARIATIONS MUST BE APPROVED BY COUNSEL FOR THE CITY OF MANASSAS, VIRGINIA.

(ISSUING AGENCY LETTERHEAD)

The City of Manassas, Virginia
A Municipal Corporation of the Commonwealth of Virginia
9027 Center Street
Post Office Box 560
Manassas, Virginia 20108

(Date)

RE: Irrevocable Letter of Credit No. _____

Gentlemen:

We hereby authorize you to draw on us for the account of (Developers Name and Address) up to an aggregate amount of U. S. Dollars (Amount) available by your drafts at sight accompanied by certification of The City of Manassas, Virginia, (City), that the developer failed to complete installation in accordance with a plan known as (Plan Name and Number) or otherwise failed to perform in accordance with an agreement dated _____ between (Developer's Name) and the City. This letter of credit is irrevocable and unconditional.

We hereby further agree that:

- (a) drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented at our office on or before (a date at least six months after agreement expiration date);
- (b) funds available under this Letter of Credit shall be paid by us in such amounts and at such times as determined by The City of Manassas, Virginia, (City), in its sole discretion, provided that the amount drawn shall not exceed the aggregate amount specified herein;
- (c) we shall have no right, duty, obligation or responsibility to evaluate the performance or non-performance of the underlying contract between our customer and the beneficiary of this credit;
- (d) we hereby agree that no change, extension of time, alteration or addition to the work to be performed or to the plans and specifications relating to the same, shall in any way affect our obligations under this Letter of Credit, and we hereby waive notice of any such change, extension of time, alteration, or addition on the understanding that no such change, extension of time, alteration, or addition shall increase the amount of our obligation under this Letter of Credit;

- (e) it is a condition of this Letter of Credit that it will be automatically extended for successive six month periods of time unless thirty days prior to an expiration date we notify you, in writing by registered mail, that we elect not to renew this Letter of Credit for such additional period;
- (f) upon receipt by you of such notice of non-renewal or in the event of a default, you may draw hereunder by means of your drafts on us, at sight accompanied by your written certification that you have not released liability under the aforesaid Agreement or undertaking and the proceeds of your draft will be used by you to meet eventual payments under your Agreement or until your undertaking is satisfied. You will refund to us the amount paid, less any amounts which may have been paid by you in the meantime under the underlying Agreement or undertakings. A default shall be deemed to have occurred on the part of the Developer whenever, in the sole judgment of The City of Manassas, Virginia (City), the Developer is not diligently and satisfactorily completing the improvements for which the Letter of Credit has been give as security or at the date the underlying Agreement, or any extensions thereof, expires;
- (g) approval of this Letter of Credit by the City shall be deemed acceptance without further notice to the bank and/or the Developer;
- (h) any legal action against us on this Letter of Credit may be brought in the State court of general jurisdiction in Prince William County, Virginia; it is further agreed that service of process and jurisdiction of the Virginia court shall be accepted by us by certified mailing of any suit papers.

_____ (Bank Name)

By: _____

(SEAL)

_____ (Print or type name and title)

ACKNOWLEDGMENT

STATE OF _____
 COUNTY OF _____

I, _____, a Notary Public in and for the State and County aforesaid, do hereby certify that _____ whose name is signed to the foregoing, this day personally appeared before me in my State and County aforesaid and acknowledged the same.

Given under my hand this ____ day of _____, 20__.

 Notary Public

My Commission expires : _____