

[ISSUING BANK'S LETTERHEAD]

IRREVOCABLE LETTER OF CREDIT

Date of Issue: _____
Issuing Bank: _____
Letter of Credit No: _____
Amount: _____
Beneficiary: City of Westminster

City of Westminster ("City")
4800 West 92nd Avenue
Westminster, CO 80031

Ladies and Gentlemen:

We hereby establish this Irrevocable Letter of Credit in your favor for an amount up to the aggregate sum of ten thousand and 00/100 (\$10,000.00) U.S. dollars.

Funds under this credit are available to you by your draft or drafts drawn at sight on us containing the number of this Letter of Credit as set forth above.

Partial drawings are permitted.

The sole condition for payment of any draft drawn under this Letter of Credit is that the draft be accompanied by a letter, on the City's letterhead, signed by the City Manager or the Acting City Manager, stating that _____
(name of Contractor) its successor, transferee, or assign, has failed to perform in accordance with the **Westminster Municipal Code Titles V and IX, or any issued Right-of-Way Permit** for the **Class D Public Way Contractor License**.

Demands for payment by the City pursuant to this Letter of Credit shall be deemed timely if sent, by USPS Certified Mail, prior to its date of expiration and addressed to the above letterhead address.

This Letter of Credit shall have an initial term of two (2) years from its Date of Issue, but

shall be deemed automatically extended without amendment or other action by either party for additional periods of one year from the present or any future expiration date hereof, unless we provide the City with written notice, by registered mail, return receipt requested, addressed to:

City Engineer, City of Westminster, 4800 West 92nd Avenue, Westminster, CO 80031, at least ninety (90) days prior to the expiration date, that we do not wish to extend this Letter of Credit for an additional period. After receipt by the City Engineer of such notice, the City may draw hereunder, on or before the then-applicable expiration date, and for the then-remaining available amount by means of the City's sight draft, drawn on the issuing bank, accompanied by a letter, on the City's letterhead, signed by the City Manager or Acting City Manager stating the following:

We are in receipt of written notice from:

_____ (name of bank) of its election not to renew its Letter of Credit No: _____ for an additional term of one (1) year and _____ (name of Contractor) its successor, transferee, or assign, is still obligated to the City under the **Westminster Municipal Code Titles V and IX, or any issued Right-of-Way Permit for the Class D Public Way Contractor License**, and an acceptable replacement Letter of Credit has not been received.

We hereby agree with the City that such drafts will be processed in good faith and duly honored upon presentation to us.

We further agree that the exclusive venue for any action concerning this Letter of Credit shall be, at the sole election of the City, in either the District Court for Adams County, Colorado, or the District Court for Jefferson County, Colorado. We further agree that the procedural and substantive laws of the State of Colorado shall apply to any such action.

We further agree that in the event it becomes necessary for the City to bring an action to enforce the terms of this Letter of Credit, or any action alleging wrongful dishonor of this Letter of Credit, and the City prevails in such action, the City shall be entitled to recover its reasonable attorney's fees and all costs and expenses associated with such litigation. We further agree that if we bring an action against the City related directly or indirectly to this Letter of Credit, and the City prevails in such action, the City shall be entitled to recover its reasonable attorney's fees and other costs of such litigation.

The amount of funds available under this Letter of Credit may not be reduced except by payment of drafts drawn hereunder, or pursuant to written authorization given to us by the City.

If you have any questions concerning this transaction, please call us at

(bank's phone number and contact information)

