

NAME AND ADDRESS OF ISSUING BANK

_____, 20____

IRREVOCABLE LETTER OF CREDIT NO. _____

City of Ballwin, Missouri
Attn: City Administrator
Government Center
14811 Manchester Road
Ballwin, MO 63011

Dear Sir:

We hereby establish in favor of the CITY OF BALLWIN, upon the application of and for the account of _____ (Account Party), _____ (Account Party Address) our transferable irrevocable standby letter of credit (the "Letter of Credit") in the amount of \$ _____ (the "Maximum Available Credit"), subject to the reduction as hereinafter set forth.

For information only: This letter of credit is issued with respect to a _____ improvement project in the City of Ballwin, Missouri, known as _____ (project name).

Subject to all of the terms and conditions of this Letter of Credit, the Maximum Available Credit shall be made available by your draft(s) at sight drawn on us accompanied by this Letter of Credit and any amendments thereto for presentation and by the following documents:

1. Your signed certificate, in the form attached hereto as Exhibit A, dated not more than ten days prior to its presentation to us; or
2. Your signed certificate, in the form attached hereto as Exhibit C, dated not more than ten days prior to its presentation to us.

No draft will be paid if the amount thereof is in excess of the Maximum available Credit hereunder as of the date such draft is to be paid.

Multiple drawings may be presented under this Letter of Credit, which, in the aggregate and subject to the limitations set forth herein, shall not exceed the Maximum Available Credit then in effect and each such drawing honored by us hereunder shall reduce the Maximum Available Credit by the amount of such drawing. The draft(s) drawn under this Letter of Credit must be drawn and presented to our offices at _____ (Bank Address) Attention: _____ (or such other officer, department or address designated in writing by us to you at your address shown above or at such other address as you shall advise us of in writing) by hand delivery or by delivery by courier between 9:00 a.m. and 4:30 p.m. (St. Louis, Missouri time) on a Business Day (as defined below). As used in this Letter of Credit, "Business Day, shall mean any day other than a Saturday, Sunday or a day on which banking institutions in the State of Missouri are authorized or required by law to close.

We hereby agree that all drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored by us upon delivery of any of the certificate(s) specified above and if

presented at our aforesaid office on or before the Expiration Date (as defined below).

If demand for payment is made hereunder in strict conformity with the terms and conditions of this Letter of Credit before 11:00 a.m. (St. Louis, Missouri time) on any Business Day, payment of the amount demanded shall be made in immediately available funds not later than 1:00 p.m. (St. Louis, Missouri time) on the next succeeding Business Day.

Payment under this Letter of Credit to you shall be made by wire transfer of immediately available funds per your instructions.

Only you or a transferee may make drawings under this Letter of Credit. Upon payment as provided above of the amount specified in a sight draft drawn hereunder, the Maximum Available Credit of the Letter of Credit shall be reduced by the amount of the payment.

If demand for payment does not conform to the terms and conditions of this Letter of Credit, we will promptly notify you thereof and of the reasons therefor, such notice to be promptly confirmed in writing to you, and we shall hold all documents at your disposal or return the same to you, if directed by you.

This Letter of Credit is effective immediately and expires on the earliest of (i) close of the first business day five (5) years from the date of issuance of this Letter of Credit, i.e., the date first written above, or (ii) when you have drawn and we have paid to you the Maximum Available Credit of this Letter of Credit or (iii) the day on which this Letter of Credit is surrendered to us for cancellation (collectively, the "Expiration Date"); provided, however, notwithstanding the termination by expiration of this Letter of Credit, our payment obligation shall survive such expiration with respect to any sight drafts accompanied by a certificate in the form of Exhibits A, or C, as the case may be, presented to us for payment prior to the expiration of this Letter of Credit; and further provided that upon such expiration we shall immediately transfer the balance of the Maximum Available Credit to you at the following account:

Account #: _____
[Name of Bank]: _____
ABA# _____

CITY OF BALLWIN ESCROW ACCOUNT

or such other account subsequently designated by you, unless you authorize in writing a release of our obligations under this Letter of Credit or authorize a replacement of the Letter of Credit. **It is a condition of this Letter of Credit that it shall be deemed automatically extended, without amendment, for one year from the Expiration Date hereof, unless at least 75 days prior to such date, we shall send you, in the form attached hereto as Exhibit D, notice that we elect not to consider this Letter of Credit renewed for such additional one-year period.** Unless so extended by us, this letter of credit shall expire fully and finally not later than the close of the first business day five (5) years from the date of issuance of this Letter of Credit.

Upon our receipt, from time to time, from you of a written reduction certificate in the form attached as Exhibit E, we are authorized to reduce the Maximum Available Credit hereunder by the amount stated in such certificate, nay such reduction to be effective only at our close of business on the date on which we receive such written reduction certificate.

This Letter of Credit shall be governed by the uniform Customs and Practice for Documentary Credits, 1993 Revision, International Chamber of Commerce Commission Publication No. 500, but excluding the provisions of Article 41 thereof (the "UCPDC").

Any communications with respect to this Letter of Credit shall be in writing and shall be

addressed to us at _____(Bank Address). Attention: _____, specifically referring thereon to Irrevocable Letter of Credit No. _____.

You may transfer your rights under this Letter of Credit in their entirety (but not in part) to any transferee. Transfer of your rights under this Letter of Credit to any such transferee shall be effected only upon the presentation to us of this Letter of Credit accompanied by a transfer letter in the form attached hereto as Exhibit E, and we consent to such transfer without charges or fees of any kind. Upon such transfer, the transferee shall have no further rights to transfer this Letter of Credit.

This Letter of Credit sets forth in full our undertaking, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein (including, without limitation, the Plat Approval, but excluding the UCPDC), and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement. Exhibits A,C,D,E, and F hereto are incorporated herein by reference as an integral part of this Letter of Credit. (Exhibit B intentionally omitted).

Very truly yours,
NAME OF ISSUING BANK

By: _____

EXHIBIT A
TO LETTER OF CREDIT
FORM OF CERTIFICATE FOR "A" DRAWING

_____, 20____

Name and Address of Issuing Bank:

Attention: _____

Re: Your Letter of Credit No. _____
In Favor of City of Ballwin, Missouri

To Whom it May Concern:

The undersigned, a duly authorized official of City of Ballwin, Missouri (the "Beneficiary"), hereby certifies to _____ (Name of Issuing Bank) (the "Bank"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit"; any capitalized terms used herein and not defined shall have their respective meanings as set forth in the said Letter of Credit) issued by the Bank in favor of the Beneficiary, that:

1. The Account Party has failed to complete all improvements or fulfill all obligations required by the Subdivision Code, Improvement plans, or any Deposit Agreement.
2. The draft in the sum of \$ _____ accompanying this Certificate is not in excess of the Maximum Available Credit under the Letter of Credit and shall result in a reduction of the Maximum Available Credit under the Letter of Credit.

Transfer the funds as stated above to the credit of the City of Ballwin, Missouri to _____ (Name of City Depository) for the account of ABA _____, Attention _____, Reference _____.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this certificate this _____ day of _____, 20_____.

CITY OF BALLWIN, MISSOURI

By: _____

City Administrator or
Acting City Administrator

Deleted: ¶
<sp>

EXHIBIT B

TO LETTER OF CREDIT
COMPLETE RELEASE OF LETTER OF CREDIT

City Administrator, City of Ballwin
Government Center
14811 Manchester Road
Ballwin, Missouri 63011
_____, 20____

Name and Address of Issuing Bank:

Attention: _____

LETTER OF CREDIT NUMBER: _____
IN ORIGINAL AMOUNT OF: \$ _____



Sir or Madam:

This certificate certifies that the above letter of credit has been destroyed or lost and authorizes the complete release of the letter of credit as if the letter of credit had been fully and finally surrendered to you.

CITY OF BALLWIN, MISSOURI

By: _____

Deleted: ¶
<sp>

EXHIBIT C
TO LETTER OF CREDIT
FORM OF CERTIFICATE FOR "C" DRAWING

_____, 20_____

Name of Issuing Bank and Bank Address:

Attention: _____

Re: Your Letter of Credit No. _____
in Favor of City of Ballwin, Missouri

Gentlemen:

The undersigned, a duly authorized official of City of Ballwin, Missouri (the "Beneficiary"), hereby certifies to _____ (Name of Issuing Bank) (the "Bank"), with reference to Irrevocable Letter of Credit No. _____ (the "Letter of Credit"; any capitalized terms used herein and not defined shall have their respective meanings as set forth in the said Letter of Credit) issued by the Bank in favor of the Beneficiary, that:

1. Funds in the amount of the accompanying draft are now due for deposit in a special transit account for _____.
2. The draft in the sum of \$ _____ accompanying this certificate is not in excess of the Maximum Available Credit under the Letter of Credit and shall result in a reduction of the Maximum Available Credit under the Letter of Credit.

Transfer the funds as stated above to the credit of the City of Ballwin, Missouri to ***Name of City Depository*** for the account of ABA _____, Attention _____, Reference _____.

IN WITNESS WHEREOF, the Beneficiary has executed and delivered this Certificate this ____ day of _____, 20_____.

CITY OF BALLWIN, MISSOURI

By: _____

Deleted: ¶
<sp>

EXHIBIT D
TO LETTER OF CREDIT
FORM OF NOTICE OF EXPIRATION

_____, 20____

City of Ballwin, Missouri
Attn: City Administrator
Government Center
14811 Manchester Road
Ballwin, Missouri 63011

Attention: _____

Re: Our Letter of Credit No. _____ in Favor of City of Ballwin, Missouri
Amount: \$ _____
Expiration Date: Close of the business day five (5) years from the date of issuance of this
Letter of Credit

Gentlemen:

Please consider this letter as the Bank's notification that the Bank does not intend to renew the
above-reference letter of credit and, therefore, it will expire in full and finally on the above-mentioned
date.

Very truly yours,

NAME OF ISSUING BANK

By: _____
Authorized Officer

cc: Account Party: _____
Account Party Address: _____

Deleted: ¶
<sp>

EXHIBIT E
TO LETTER OF CREDIT
FORM OF REDUCTION CERTIFICATE

City Administrator
City of Ballwin Government Center
14811 Manchester Road
Ballwin, Missouri 63011
_____, 20 ____

Name and Address of Issuing Bank:

Attention: _____

LETTER OF CREDIT NUMBER: _____
IN ORIGINAL AMOUNT OF: \$ _____

To Whom it May Concern:

This certificate authorizes reduction in the amount of \$ _____ of the above letter of credit. The remaining maximum available credit for this letter of credit is \$ _____.

CITY OF BALLWIN, MISSOURI

By: _____

City Administrator or
Acting City Administrator

Memo to Contractor: for information only

(This portion will be provided for developer's information and will not form a part of the reduction certificate.)

Deleted: ¶
<sp>

EXHIBIT F
TO LETTER OF CREDIT
FORM FOR FULL TRANSFER OF LETTER OF CREDIT

_____, 20____

Name and Address of Issuing Bank:

Attention:

Re: Your Letter of Credit ("Letter of Credit") No. _____ in favor of City of Ballwin,
Missouri

To Whom it May Concern:

The undersigned, City of Ballwin, Missouri ("Transferor") has transferred and assigned (and hereby confirms said transfer and assignment) all of its rights in and under the Letter of Credit to [name and address of Transferee] ("Transferee"). Transferor confirms that it no longer has any rights under or interest in the Letter of Credit and that you shall have no further responsibility to make payment under the Letter of Credit to Transferor.

Transferor hereby surrenders the Letter of Credit to you and requests that you note the transfer of the Letter of Credit and deliver the Letter of Credit, amended or endorsed to reflect said transfer, to Transferee.

CITY OF BALLWIN, MISSOURI

[NAME OF TRANSFEREE]

By: _____
City Administrator or
Acting City Administrator

By: _____
[Name and Title of Authorized Officer of
Transferee]