

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.

Partial 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 8:00 a.m. and 5:00 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 #:

0670008220

[Name of Bank]:

Pulaski Bank

ABA#

281073555

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 by a certificate in the form of Exhibit B 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, and for successive one year periods ending on the anniversary of the Expiration Date unless at least 75 days prior to any such anniversary of the Expiration 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.**

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, any 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, 2007 Revision, International Chamber of Commerce Commission Publication No. 600 (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. Should you wish to effect a transfer under this credit, such transfer will be subject to the return to us of the original credit instrument and subsequent amendment(s) if any, accompanied by our form of transfer, properly completed and signed by an authorized signatory of your firm, bearing your bankers stamp and signature authentication and payment of our transfer fee. 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,B,C,D, and E hereto are incorporated herein by reference as an integral part of this Letter of Credit.

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: STANDBY LETTER OF CREDIT DEPARTMENT

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

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: STANDBY LETTER OF CREDIT DEPARTMENT_____

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: _____

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

_____, 20__

Name of Issuing Bank and Bank Address:

Attention: STANDBY LETTER OF CREDIT DEPARTMENT

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

Gentlemen:

The undersigned, a duly authorized _____ (Name of
official of City of Ballwin, Missouri (the
"Beneficiary"), hereby certifies to

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: _____

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 one (1) year 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: _____

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: STANDBY LETTER OF CREDIT DEPARTMENT

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.)