MUNICIPAL COMPLEX • PISCATAWAY, N.J. 08854

TOWNSHIP OF PISCATAWAY

FORM NO. 25B

IRREVOCABLE STADNBY LETTER OF CREDIT (PERFORMANCE)

Block(s) _____ Lot(s) _____

IRREVOCABLE STANDBY LETTER OF CREDIT
(PERFORMANCE)

Issued by:

Name of Banking Institution: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone Number: _____ Fax Number: _____

Issue date: _____ Expiration Date: _____ Expiration Time: _____

Letter of Credit Number: _____

Beneficiary:

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone Number: _____ Fax Number: _____

Applicant:

Name: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone Number: _____ Fax Number: _____

Amount: _____ Dollars: _____

(Not to exceed 120 percent of the cost of the improvements, as certified by the municipal engineer)

We hereby issue our irrevocable standby letter of credit in your favor, which is available by your draft at sight bearing our letter of credit number _____ on _____ (name of banking institution).

Your draft must be presented at the office indicated above by personal delivery or by registered or certified mail or courier and must be accompanied by (1) the original standby letter of credit and any subsequent original amendments and (2) an original statement purportedly signed by the municipal engineer of _____ (name of municipality) stating: "The amount of this drawing under irrevocable Standby Letter of Credit No. _____, issued _____ by _____ (name of banking institution), represents the amount of due as a result of the failure of _____(name of applicant) to complete, in a whole or in part, the required site improvements as detailed in the municipal resolution of approval and in that certain Engineer's Estimate entitled "_____" prepared by _____ and dated _____ I hereby certify that notice of the incompletions upon which this drawing is based was given to the applicant by registered or certified mail or by courier on _____ (date at least 30 days prior to the date of the municipal engineer's statement)." This certification shall be accompanied by a resolution of the municipal governing body endorsing the findings of the engineer and stating that the improvements have not been approved or accepted.

This letter of credit shall be deemed to be automatically extended annually for periods of one year unless written notice is given by the banking institution by registered or certified mail or by courier to the applicant and the municipality at least 60 days prior to the then-current expiration date.

In the event of the failure of the applicant to furnish another letter credit meeting requirements of N.J.S.A. 40:55D-53.5 and N.J.A.C. 5:39-1.3, or other acceptable security, at least 30 days prior to the expiration date of this letter of credit, the municipality may, to the extent allowed by law, draw upon this letter of credit to pay the cost of any incompletions.

This letter of credit shall expire upon approval or acceptance by resolution of the municipal governing body of all improvements cited in the aforesaid Engineer's Estimate or upon replacement of this letter of credit by other security meeting applicable legal requirements. Upon approval or acceptance of some, but no all, of said improvements, a reduction in the amount of this letter of credit shall be granted in accordance with N.J.S.A. 40:55D-53, provided that the remaining amount shall be sufficient to secure provision of the improvements not yet approved and the municipality may require that the remaining amount be 30 percent of the original amount.

All correspondence to the banking institution concerning this letter of credit shall be addressed to the office indicated above.

This letter of credit shall inure to the benefit of the beneficiary municipality only and no other party shall acquire any rights hereunder.

This letter of credit is subject to [Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce Publication No. 500] [International Standby Practices 1998 (ISP98)]. (Note: Either shall be acceptable.)

We here by agree with you that the drawings under and in compliance with the terms of this letter of credit shall be duly honored upon presentation to us.

_____	_____
Authorized signature and title	Witness/Attest