**IRREVOCABLE LETTER OF CREDIT**

Insert Date\_\_\_\_

Community Development – Planning Division

Town of Falmouth

271 Falmouth Road

Falmouth, Maine 04105

Re: (Name of project & Tax Map/lot #)

(Location of project) Falmouth, Maine

Letter of Credit # \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Bank”) hereby issues its Irrevocable Letter of Credit for the account of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, (hereinafter referred to as “Developer”), held for the exclusive benefit of the Town of Falmouth, in the aggregate amount of $\_\_\_\_\_\_\_\_\_\_\_\_\_. These funds represent the estimated cost of installing site improvements as depicted on the plan set for \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_(name of project), approved by the Falmouth Planning Board on \_\_\_\_\_\_\_\_\_\_\_\_\_\_.

This Letter of Credit is intended to satisfy the Developer’s obligation to post a performance guarantee for the above referenced development.

The Town of Falmouth, through its Land Use Planner or his/her designee, may draw on this Letter of Credit, in whole or in part, by presentation of a sight draft, attached as Exhibit A, and the Letter of Credit and all amendments thereto, stating either of the following:

1. the Developer has failed to satisfactorily complete the work on the improvements contained within the project approval as determined by the Public Works Director or his/her designee.
2. The Developer has failed to complete all site improvements contained within the project approval at least 60 days prior to the expiration date of this Letter of Credit.

Notwithstanding the time limits referenced above, if at any time this Letter of Credit is in effect the Land Use Planner or his/her designee notifies the Developer and the Bank that an erosion or sediment problem exists, and if said problem is not rectified as determined by the Land Use Planner or his/her designee within forty-eight (48) hours from the receipt by the developer and the bank of said notification, then the Town of Falmouth may draw on this Letter of Credit such funds as are necessary to correct the problem.

Partial reductions of the amount available under this Letter of Credit may be requested by the Developer, but no more often than quarterly. The Land Use Planner or his/her designee shall determine the amount of work completed to date on the required improvements and shall determine the cost to complete the remaining work in accordance with the plans and specifications approved by the Planning Board. The amount of this Letter of Credit shall be reduced to reflect a balance hereunder of one hundred ten percent (110%) of the cost of work still to be completed as determined by the Land Use Planner or his/her designee.

This Letter of Credit will automatically expire on \_\_\_\_\_\_\_\_\_\_\_\_\_\_ (“Expiration Date”) or on the date when the Town determines that all improvements guaranteed by this Letter of Credit are satisfactorily completed. It is a condition of this Letter of Credit that it is deemed to be automatically renewed, without amendment, for period(s) of one year each from the current Expiration Date hereof, or any future Expiration Date, unless within sixty (60) days prior to any expiration, the Bank notifies the Town by certified mail to Dawn Emerson, Land Use Planner, Town of Falmouth, 271 Falmouth Road, Falmouth, Maine 04105 that the Bank elects not to consider this Letter of Credit renewed for any such additional period.

In the event of such notice, the Town, in its sole discretion, may draw hereunder by presentation of a sight draft drawn on the Bank, accompanied by this Letter of Credit and all amendments thereto, and a statement signed by the Land Use Planner or his/her designee, at the Bank’s offices located at \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ stating that this drawing results from notification that the Bank has elected not to renew its Letter of Credit No. \_\_\_\_\_.

This Letter of Credit is not transferable.

We hereby undertake and guarantee that all requests for payments made in compliance with this credit shall be paid upon presentment.

**EXHIBIT A**

**SIGHT DRAFT**

Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

*(Bank name and address)*

RE: Irrevocable Letter of Credit #

At sight, pay to the order of Town of Falmouth \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ Dollars

($\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_), and charge to the account of (*name of Developer*)

The undersigned, duly authorized officials of the Town of Falmouth, Maine, hereby certify that the Developer has failed to complete all improvements and/or fulfill all obligations required by the above-referenced Letter of Credit and/or the standards of the Town of Falmouth.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Land Use Planner

Town of Falmouth, Maine

Print name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Public Works Director

Town of Falmouth, Maine

Print name: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_