

## PAYMENT LETTER OF CREDIT

Department of Public Works  
Room 207  
County Government Center  
San Luis Obispo CA 93408

These presents constitute our irrevocable letter of credit in favor of the County of San Luis Obispo, California, hereinafter referred to as "County", in the aggregate amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) and is tendered to said County in conformance with Government Code Sections 66499-66499.10 to assure the obligations of \_\_\_\_\_ hereinafter collectively referred to as "Principal", to pay laborers and materialmen pursuant to that certain Subdivision Agreement regarding Tract No. \_\_\_\_\_, and executed on \_\_\_\_\_, 20 \_\_\_\_, which is attached hereto and made a part hereof. This letter of credit is in addition and separate from that letter of credit executed on \_\_\_\_\_, 20 \_\_\_\_, in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) and assuring completion of improvements required in said Subdivision Agreement.

\_\_\_\_\_ Bank hereby pledges and guarantees that funds in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) are, and will remain, on deposit and guaranteed for payment to County as follows:

In the event of any failure or default of said Principal, his or its heirs, executors, administrators, successors or assigns to pay any of the contractors, subcontractors, laborers, materialmen and other persons employed in the performance of the aforesaid Subdivision Agreement and entitled to file claims under Title 15 (commencing with Section 3082) of Part 4 of Division 3 of the Civil Code, for materials furnished or labor performed thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, the County of San Luis Obispo shall have the right to draw on this letter of credit, on demand, to satisfy any such claims.

As part of the obligation guaranteed by this letter and in addition to the face amount of this letter, \_\_\_\_\_ Bank will pay costs and reasonable expenses and fees, including reasonable attorneys' fees, incurred by County in successfully enforcing the obligations secured.

Pursuant to Government Code Section 66499.6, this letter of credit shall be a trust fund to guarantee performance and shall not be subject to levy or attachment by any creditors of the Principals until the Subdivision Agreement is performed to the satisfaction of County as provided hereinafter.

The obligations of \_\_\_\_\_ Bank under this letter of credit shall become null and void six (6) months after satisfactory completion of said Subdivision improvements if there are no unpaid claims or liens having originated from said construction of record at that time; otherwise the obligations of this letter shall remain in full force and effect until County is furnished proof satisfactory to County in the form of a certificate from a title insurance company that there are no claims or liens against or originating from said construction and insuring against any such claims or liens.

\_\_\_\_\_, Bank hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Subdivision Agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligation on this letter of credit, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

By \_\_\_\_\_