C R A N G E C O U N T Y
PublicWorks
Our Community. Our Commitment.

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NEGOTIABLE INSTRUMENTS

I. **PERFORMANCE GUARANTEES ARE:** LETTERS OF CREDIT
CERTIFICATES OF DEPOSIT (CD'S)

II. INSTRUCTIONS FOR LETTERS OF CREDIT

a) The County of Orange is the beneficiary
b) It should have an automatic extension clause
c) Must be on a local bank or institution
d) Must be accompanied by a Minute Order except when accepting grading
e) Must be accompanied by a notarization for signature of assignor
f) Must be accompanied by a notarization for signature of authorized officer of bank or institution
g) Amount in figures should match the amount listed in words

III. INSTRUCTIONS FOR CERTIFICATES OF DEPOSIT

a) The County of Orange is the beneficiary or assignee
b) Must be accompanied by a Certificate of Deposit Assignment which has to be notarized
c) Must be on a local bank or institution
d) Minimum maturity date shown on certificate shall be six (6) months
e) Face of certificate needs to state funds will be automatically rolled over after maturity date
f) Amount in figures must match with amount listed in words

IRREVOCABLE LETTER OF CREDIT (SAMPLE)
(Bank Name and Address)

TO: County of Orange
Planning & Development Services
P.O. Box 4048
Santa Ana, California 92702-4048

Date: _____
Credit No.: _____
Amount (U.S.) _____

Gentleman:

At the request of (the "Customer"), (the "Bank" *) hereby establishes in your favor an Irrevocable Letter of Credit (the "Credit") for a total amount of U.S. $_____ available by your sight draft, drawn on (the "Bank") expiring _____(Date)**_____ unless automatically renewed as herein provided.

This Letter of Credit shall be automatically extended fro additional periods of one year from the present or future expiration date, unless we notify you and (the "Customer") via courier or certified mail at least one hundred and twenty (120) calendar days prior to the then expiration date that we have elected not to renew this Letter of Credit by presentation of the documents mentioned herein.

This Credit is issued in connection with the obligation of the (the "Customer") for grading and pertinent improvements to property located at _____(Address)_____ _____ within the County of Orange, California. A drawing under this Credit shall be made by you presenting to us this Letter of Credit, and a demand in writing signed by a person who had been duly authorized to sign on your behalf.

Said demand shall refer to this Credit by the above number, shall state the amount demanded and shall certify one of the following:

a) That the customer has failed to comply with the conditions of the Grading permit, after fifteen (15) days written notice to the customer demanding compliance with the conditions of said permit or,
b) The work authorized by the above permit has been left in a hazardous condition or,
c) The work remains incomplete and the County of Orange has received notice that we have elected not to renew this Letter of Credit.

Upon receipt of said documents, we shall pay to you the amount stated in the said demand to be payable to you without inquiring whether you have a right to such amount as/between yourself and the customer, provided that such amount, together with other amounts paid to you under this Credit, if any, do not exceed in the aggregate amount of the Credit.

This credit shall be terminated upon receipt of your letter certifying that the subject grading has been completed in a satisfactory manner.

_____
(Bank)

By: _____
(Authorized Representative) **Notary Required**

* **Must be a California Bank** ** **Must be at least two (2) years from date of issuance**