Rev. 07/2011

ESCROW LETTER

Office of the City Engineer
50 South Broadway
Lebanon, OH 45036

Re: Security Agreement No. _____

Dear City Engineer:

This letter is being written in connection with Development Public Improvement Performance and Maintenance Security Agreement No. _____ (hereinafter the "Security Agreement"), by and between the City of Lebanon (hereinafter "City"),
_____ (1) (hereinafter the "Bank") and
_____ (2) (hereinafter the "Developer") referring to certain improvements in _____ (3) (hereinafter the "Development").

This is to inform you that the Developer has funds deposited with the Bank in the amount of _____ (4) for the purpose of paying for the cost of installing and maintaining the improvements in the Development, **in accordance with the terms and conditions set forth in the Security Agreement, a copy of which is attached hereto and made a part hereof as if fully rewritten herein.**

The Developer will not be permitted by the Bank to draw upon the funds without the written consent of the City of Lebanon directed to the Bank. The City of Lebanon will from time to time permit withdrawal of funds not exceeding ninety percent (90%) of the cost of improvements that have been installed and approved based upon the recommendation of the agency having supervision for the type of improvement for which this letter is given. In no event shall withdrawal of funds, in the aggregate, be permitted as to reduce the total amount of funds below the amount set forth in Item 6 of the Security Agreement until the maintenance security is released pursuant to Item 10 of the Security Agreement or until substitute maintenance security is posted and approved.

Upon notification of the City of Lebanon directed to the Bank that the Developer is in default of the Security Agreement, the Bank shall promptly disburse such funds as requested by the City of Lebanon in the notification for the purposes set forth in Items 4 & 9 of the Security Agreement. The determination of the amount of funds to be disbursed by the Bank to the City of Lebanon as set forth in the aforesaid notification is final and binding upon the Bank, but in no event shall the Bank be required to disburse to the City of Lebanon funds which exceeds the funds which the Developer has deposited with the Bank as set forth herein or as such deposit of funds has been reduced by Developer withdrawals consented to by the City of Lebanon. It is mutually agreed that the Bank shall not in any manner be liable for the completion or maintenance of any improvements in the Development and it is further agreed to hold the Bank harmless of all claims and liabilities whatsoever under the Security Agreement other than the obligation to disburse funds to the City of Lebanon as set forth herein and in the Security Agreement.

Sincerely,

BANK

SIGNATURE: _____

PRINTED NAME: _____

TITLE: _____

DATE: _____

Key:

(1) Name of financial institution
(2) Name of developer
(3) Name of development or subdivision with section number and phase number where applicable
(4) Amount of funds deposited by the Developer