

**AGREEMENT SECURED BY LETTER OF CREDIT TO GUARANTEE THE
INSTALLATION OF IMPROVEMENTS AS REQUIRED BY THE CITY OF
FAYETTEVILLE**

Date of Issue: _____

Letter of Credit #: _____

Obligee: City of Fayetteville
433 Hay Street, Fayetteville, North Carolina 28301
Attention: **City Engineer**

Principal and Developer:
Address:
City, State, Zip
Phone Number: ()

Bank Issuing Letter of Credit:
Address:
City, State, Zip
Phone Number: ()

Principal/Developer, is firmly bound unto the City of Fayetteville in the sum of (\$ _____) _____ Dollars which amount is secured by Irrevocable Letter of Credit Number (insert number) delivered to the City of Fayetteville this the _____ day of _____, 20__.

This agreement is made in accordance with the City of Fayetteville Ordinance (the Ordinance), so that prior to the completion of the _____ (insert type and details of improvements) improvements required by the Ordinance, _____ (principal/developer name), may obtain from the City of Fayetteville Engineering Division its approval of occupancy for _____ (insert project name) located at _____ (insert project address). This bond is in an amount determined by the City Engineering Staff/Certified Engineer to be sufficient to guarantee the installation of the improvements specified in the plans approved by the City of Fayetteville Engineering division and which provide that the improvements shall be completed by the _____ day of _____, 20__.

The condition of this bond is such that if the Principal/ Developer shall faithfully complete the specified improvements within the time period prescribed above and the City of Fayetteville has caused an inspection to be made, then the Principal / Developer must request in writing the

release of the security. Once the City authorizes the release of the security this bond shall be null and void and the Letter of Credit delivered to the City shall be returned to the Principal / Developer.

In the event the Letter of Credit expires while this bond is in effect, the Principal/ Developer shall deliver to the City of Fayetteville a new Letter of Credit in the same principal amount as the Letter of Credit referred to above, or other security acceptable to the City of Fayetteville Attorney. The expiration of the Letter of Credit shall not affect the conditions of this bond.

In the event that the Principal/Developer defaults under its obligation to install the required improvements, the City of Fayetteville may complete these improvements using the funds available from the Letter of Credit. Said funds can be used to pay any and all expenses which may be incurred by the City as the result of actions taken by the City after default to require Developer to complete the improvements or which may be incurred by the City in connection with the completion of the improvements by the City, including but not limited to construction costs, engineering supervision costs, mobilization costs, and legal fees. Upon completion of the improvements, the City shall refund any unused portion of the funds.

The Principal/Developer hereby stipulates and agrees that no modifications, conditions or omissions in or to the plans or specifications herein referred to or any extension of time shall in any way affect the agreement.

WITNESS our hands and seals this, the _____ day of _____, 20__.

Principal/Developer

Print

By: _____ (SEAL)

Title

Attest: _____

