



## BOND AGREEMENT - IRREVOCABLE LETTER-OF-CREDIT

**KNOW ALL MEN BY THESE PRESENTS**, that the undersigned, (Applicant/Developer Name & Subdivision Name), (Mailing/Street Address, City, State, Zip Code), is held and firmly bound to the **CITY COUNCIL OF CITY OF CHARLES TOWN**, a West Virginia public corporation with control and supervisory functions over the City of Charles Town Planning Commission, in the penal sum of

\$ \_\_\_\_\_ (*Dollar amount in figures*)

\_\_\_\_\_ (*Dollar amount in words*),

for the completion of erosion and sediment control devices, storm water management measures, site grading & drainage, roadways, water and sewer systems, utility lines, paving, property corners, and all other site improvements and associated appurtenances, for the payment of which, well and truly to be made, it binds itself, its successors in title and assigns.

The condition of the above obligation is such that, whereas, the City of Charles Town Planning Commission has approved and consented to the recordation in the Office of the County Clerk of Jefferson County, the Final Plat of the (Name of Subdivision), (Phase of Subdivision), (Lot Numbers) and residue, a subdivision of lands of (Name of Property Owner), the property is located (Route No., Road Name, Mile Marker, etc.), which is to consist of (No. and type of lots), on (No. of Acres), more or less, with roadways and appurtenances thereto, for the purpose of selling such lots and appurtenances thereto to buyers thereof, and whereas, the site improvements required to be made on such subdivision, as required by the City of Charles Town Subdivision Ordinance and the construction plans have not yet been made, which improvements are detailed in Planning Commission file no. (CTPC file no.).

NOW THEREFORE, if the developer of the (Applicant/Developer Name & Subdivision Name), shall well and truly complete the construction and installation of such site improvements by (bond expiration date), and pay all costs attendant thereto, in compliance with the City of Charles Town Subdivision Ordinance, then this bond shall be wholly null and void; otherwise, it shall remain in full force and effect.

A. The City Council of City of Charles Town, West Virginia, shall execute and deliver to the Maker hereof complete or partial satisfaction of this bond when the same is requested by the Maker hereof, according to the following provisions:

1. A complete satisfaction and exoneration shall be granted by the City Council of City of Charles Town upon presentation of evidence by the Maker that all terms and conditions of this bond have been satisfied.
2. Requests for partial satisfaction may be made from time to time; provided that such requests are for no less than the minimum amounts established by the Site Improvements Bonding & Bond Surety Policy; partial satisfaction shall be granted upon presentation of evidence by the Maker that work equal in value to the amount of the satisfaction requested, has been completed and that all terms and conditions of the surety sought to be partially satisfied have been satisfied.
3. However, in the event that a previously approved and released component of the site improvements has failed before the final bond release, the developer shall be responsible for correcting, repairing or replacing the failed site improvement. No further bond reductions or final bond release shall occur until the developer has corrected, repaired, or replaced the failed site improvement to the satisfaction of the Chief City Engineer; or the developer has re-posted the bond surety necessary to cover the costs of the repair or replacement of the failed component, to the satisfaction of the Chief City Engineer.
4. The City Council of City of Charles Town shall not consent to any satisfaction under provisions 1 and 2 above, until being first provided with a written statement from the City Engineer certifying that required improvements have been satisfactorily completed. Furthermore, the City Council of City of Charles Town shall not consent to any satisfaction under provisions 1 or 2 above, until the Maker has paid the City Council of City of Charles Town a fee, in accordance with the prevailing fee schedule, for each site inspection (after the erosion & sediment control devices have been inspected and approved) performed by the City Engineer at the request of the Maker.

B. The Bond is secured by an Irrevocable Letter-of-Credit (LOC #), dated the \_\_\_\_ day of \_\_\_\_\_ (Month) \_\_\_\_\_ (Year), from \_\_\_\_\_ (Bank Name), \_\_\_\_\_ (Mailing Address, City, State, Zip), which is on file in the offices of the City of Charles Town Department of Community Development. By acceptance of the above irrevocable letter-of-credit as security, the following conditions shall apply:

1. Lending institution is insured by the Federal Deposit Insurance Corporation (FDIC) with offices and license to practice banking in West Virginia with a Sheshunoff National rating of at least 35 and with total letter of credit exposure of the City at the lending institution limited to no more than 50 percent of the institution's equity capital, unless agreed to by the City Council.
2. The Irrevocable Letter-of-Credit in the amount of \$ \_\_\_\_\_ shall be attached to this document and made a part hereof; and
3. The irrevocable letter of credit shall be clearly written to provide the beneficiary with direct and immediate access to the loan funds upon submission by the beneficiary of a written and signed draft request; and
4. An irrevocable letter-of-credit shall remain in full force and effect as security for this Bond until such time as the bond is released.
5. The expiration date shall be at least six (6) months after the date by which the Performance Agreement must be performed.
6. Letter of credit must contain the conditions of automatic renewal providing that the letter of credit will automatically be extended for additional period of six months unless the City Manager is notified in writing, by certified mail, with return receipt request, at least ninety (90) days in advance of the

Form: Irrevocable Letter of Credit

present or future expiration date, that the issuing bank does not intend to extend such letter of credit.

7. Signed draft requests against the irrevocable letter-of-credit will be made by the City of Charles Town Council (beneficiary) for one or both of the two following reasons:
  - A. Failure on the part of (Applicant/Developer Name & Subdivision Name), to complete improvements according to the terms of this bond.
  - B. Failure on the part of (Applicant/Developer Name & Subdivision Name), to renew the irrevocable letter-of-credit thirty (30) days prior to the expiration date.
8. Drafts made against the irrevocable letter-of-credit by the City of Charles Town Council will be used exclusively for the purpose of completion of site improvements herein required.
9. Drafts made against the irrevocable letter-of-credit for reason 4A above, will be used by the City of Charles Town Council to complete or procure the completion of improvements herein above required.
10. Drafts made against the irrevocable letter-of-credit for reason 4B above, will be escrowed with a local bank or savings and loan association by the City of Charles Town Council and will be held, during the life of this bond, for the purpose of guaranteeing improvements herein above required.

Witness the following signatures and seals:

WITNESS:

(Applicant/Developer Name)

(Subdivision Name)

\_\_\_\_\_

By: \_\_\_\_\_

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

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

WITNESS:

CITY COUNCIL OF CITY OF CHARLES TOWN, WEST  
VIRGINIA

\_\_\_\_\_

By: \_\_\_\_\_

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

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

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