



Community Development Dept.
4181 Atlanta Street
Powder Springs, GA 30127
commdev@cityofpowdersprings.org
770-943-1666

Letter of Credit Maintenance Agreement

SUBDIVISION

ACCOUNT NUMBER

THIS AGREEMENT, entered into this ___ day of _____, 20____, between _____ (hereinafter called the "Subdivider" with its principal place of business at _____ and the City of Powder Springs, a Georgia municipal corporation, (hereinafter called "City"), and _____, (herein after called "Issuer"), with its principal place of business at _____.

WITNESSETH:

WHEREAS, the Subdivider is obligated under the terms of the Unified Development Code of the City of Powder Springs for the maintenance of public improvements, including but not limited to roads, waterlines, sewer lines, and storm drainage facilities located in the subdivision known as _____ for a period of two (2) years following recordation of the final plat or completion of all required improvements, whichever occurs later.

WHEREAS, the Subdivider has received approval of the constructed improvements in accordance with the construction plans and specifications on file and now must provide adequate surety for the maintenance thereof; and

WHEREAS, the Subdivider certifies that any and all persons, firms, or corporations providing labor and/or materials required for construction of said improvements will be paid in full; and

WHEREAS, the parties have agreed that the Issuer is acceptable to all parties to act in such capacity;

NOW, THEREFORE, in consideration of the foregoing premises, it is hereby agreed:

1. The Subdivider has secured the attached unconditional irrevocable Letter of Credit in the sum of _____ dollars (\$ _____) with the Issuer, to guarantee all improvements against defects in materials, workmanship, and design and further guarantee that all such improvements will be maintained in first-class condition for a minimum of two (2) years following recordation of the final plat or completion of all required improvements, whichever occurs later.
2. The Issuer agrees to disburse funds to the full amount of the Letter of Credit only upon receipt of "Proper Authorization" as hereinafter defined. "Proper Authorization" shall mean authority in written form from the _____ stating that a disbursement is authorized:
 - (a) To the Subdivider upon delivery of "Proper Authorization" from the _____. The City, through the _____, shall issue such "Proper Authorization" upon finding that the improvements meet City standards within the two-year term hereof.



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(b) To the City upon delivery of "Proper Authorization" from the _____, upon his determination that any portion or all of the said materials, workmanship, or design is unacceptable. The City is authorized, but not obligated, to correct any defective materials or workmanship and unacceptable design and to use the funds acquired from the Letter of Credit for such purposes.

3. The full amount of the Letter of Credit shall be held by the Issuer as security guaranteeing materials, workmanship, and design for the period stated herein unless "Proper Authorization" is delivered to the Issuer by the _____ under Item 2(b) above. However, the Issuer on one or more occasions may release all or any portion of such funds upon delivery of "Proper Authorization" from the _____ at any time and the City agrees to release said funds if the Subdivider shall make other arrangements approved by the City in accordance with the Unified Development Code for the balance of the two-year term. If the materials, workmanship, and design are acceptable for two (2) years following recordation of the final plat or completion of all required improvements, whichever occurs later, the _____ shall upon approval by the City authorize the Issuer in writing to release the full amount of the Letter of Credit held by the Issuer to the Subdivider.
4. The Issuer hereby acknowledges that it has extended an unconditional irrevocable Letter of Credit, referred to in Item 1 above, and represents that it has no obligation whatsoever to any of the parties hereto except to release said funds within 10 days upon delivery of "Proper Authorization" from the _____. The Subdivider does hereby release and hold the Issuer harmless from any and all claims whatsoever by it against the Issuer for releasing such funds to the City in accordance with the terms thereof. This Agreement shall not be terminated or otherwise allowed to expire without at least 30 days written notice to that effect from the Issuer to both the City and Subdivider.
5. If the funds are inadequate to pay for any costs covered by this Agreement, the Subdivider shall pay any and all costs beyond coverage.
6. Should any provision of the attached unconditional irrevocable Letter of Credit conflict with the terms of this Agreement, the terms of this Agreement shall control.



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WITNESS the hands and official seals of the parties hereto on the day and year first above written.

City of Powder Springs, Georgia.

BY

CORPORATE SEAL

SUBDIVIDER

BY

TITLE

CORPORATE SEAL

ISSUER

BY

TITLE

Approved as to form by:

City Attorney