

**AGREEMENT SECURED BY LETTER OF CREDIT TO GUARANTEE  
MAINTENANCE OF IMPROVEMENTS AS REQUIRED BY STORMWATER  
MANAGEMENT ORDINANCE**

Date of Issue: \_\_\_\_\_ Letter of Credit #: \_\_\_\_\_

Obligee: Town of Hope Mills  
5770 Rockfish Rd. Hope Mills, NC 28348  
Attn: Stormwater Administrator

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 Town of Hope Mills in the sum of  
(\$ \_\_\_\_\_) \_\_\_\_\_ Dollars which amount is secured by Irrevocable Letter of  
Credit Number (insert number) delivered to The Town of Hope Mills this the \_\_\_\_\_ day of  
\_\_\_\_\_, 20\_\_.

This agreement is made in accordance with the Town of Hope Mills Stormwater Management  
Ordinance (the Ordinance), to guarantee maintenance and repair of improvements as provided in  
the plan(s), specification(s), agreement, and/or Ordinance for the project known as  
\_\_\_\_\_ located at \_\_\_\_\_  
for a period of two years from the date the improvements were released with final inspection

The condition of this bond is such that if the Developer/Principal promptly and faithfully  
performs all the maintenance and repair work specified in the above paragraph, this obligation  
shall be null and void and the Letter of Credit delivered to the Town shall be returned to the  
Principal.

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

In the event that the Principal defaults under its obligation to maintain and repair the  
improvements, the Town of Hope Mills may complete maintenance and repairs using funds  
available from the Letter of Credit. Said funds can be used to pay any and all expenses which  
may be incurred by the Town as the result of actions taken by the Town after the default  
including but not limited to construction costs, administrative costs, engineering supervision

costs, mobilization costs, and legal fees. Upon completion of the maintenance and repairs performed after default, the Town shall refund any unused portion of the funds.

The Principal/Developer hereby stipulates and agrees that no extension of time shall in any way affect the agreement.

WITNESS our hands and seals this, the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Principal/Developer

\_\_\_\_\_  
Print

I, \_\_\_\_\_, a Notary of \_\_\_\_\_ County, State of \_\_\_\_\_,  
do hereby certify that \_\_\_\_\_

personally appeared before me this day and acknowledge the due execution of the forgoing instrument.

Witness my hand and official stamp or seal, on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
Notary