

RESOLUTION 09-87

A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF SPRING HILL, TN TO ACCEPT THE RECOMMENDATION OF THE PLANNING COMMISSION TO RENEW THE EXISTING IRREVOCABLE LETTER OF CREDIT (PERFORMANCE BOND) FOR BUCKNER CROSSING-PHASE TWO

WHEREAS, an existing Irrevocable Letter of Credit is currently in place; and

WHEREAS, the following public improvements are required:

*Final Topping to all streets with one and one half (1½) inches of hot mix asphalt;  
and*

WHEREAS it is the recommendation of the Planning Commission that the Irrevocable Letter of Credit (performance bond) be renewed for twelve (12) months, for the original sum of \$50,000.00; and

WHEREAS, it is anticipated that the date of completion for the above referenced public improvements will be within the time prescribed for the bond and it is required that an automatic renewal clause, to the benefit of the City of Spring Hill, be included within the bond in case such improvements are not completed in a timely manner; and

WHEREAS, upon completion of the public improvements listed above, the Developer will be required to file a "maintenance" bond guaranteeing performance of the public improvements for an additional one year period with the Planning Commission after the dedication and acceptance of such public improvements by the Board of Mayor and Aldermen.

NOW, THEREFORE BE IT RESOLVED, by the Board of Mayor and Aldermen of the City of Spring Hill, that the Irrevocable Letter of Credit for Buckner Crossing-Phase Two, is renewed in the amount of \$50,000.00.

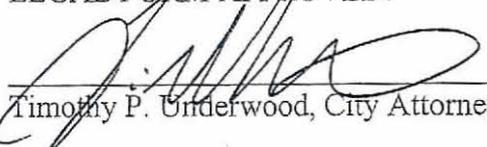
Passed and adopted this 19th day of October, 2009.

  
\_\_\_\_\_  
Michael Dinwiddie, Mayor

ATTEST:

  
\_\_\_\_\_  
April Goad, City Recorder

LEGAL FORM APPROVED:

  
\_\_\_\_\_  
Timothy P. Underwood, City Attorney



19 October 2009

From: Beau Herring, Director of Codes & Planning

To: Board of Mayor and Alderman

Subject: Renewal of Bond for Buckner Crossing Phase 2 Subdivision

This office has received a renewed bond (Irrevocable Letter of Credit) for Buckner Crossing Phase 2 in the amount of \$50,000.00. This amount has not changed from the previous bond. This bond will not expire until November 20, 2010.

I recommend approval of this bond renewal.

Respectfully,

Beau Herring

Director of Codes & Planning

City of Spring Hill





COMMUNITY FIRST  
BANK & TRUST

*Expect more from your bank.*

501 S. James M. Campbell Blvd.  
Columbia, TN 38401

Date: November 10, 2009  
Letter of Credit No: 01001161  
Expiration: November 10, 2010

City of Springhill  
199 Town Center Parkway  
Spring Hill, TN 37174

Re: Irrevocable Standby Letter of Credit for  
**E.G. DEVELOPMENT, A Tennessee General Partnership**  
Buckner Crossing Section 2  
Maintenance Bond

We hereby establish an Irrevocable Letter of Credit for the account of E.G. DEVELOPMENT, A Tennessee General Partnership, developer of Buckner Crossing Section 2, a residential subdivision in Spring Hill, TN ("Developer"), in the amount of **Fifty Thousand Dollars and no/100 (\$50,000.00)** available by draft at sight for payment in full for completion of the water system ( with satisfactory bacteriological water sample tests), completion of the sanitary sewer system ( including vacuum testing), installation of storm water drainage system ( includes soils stabilization ), asphalt binder, asphalt topping and concrete curbing with backfill, seed & straw /matting of right- of-way. Upon completion of these items, you should notify the City and request an inspection of the infrastructure items.

In the event of the failure of the Developer to complete the water system, sewer system and installation of storm water drainage system, asphalt binder, and concrete curbing with backfill, seed & straw/matting of right-of-way, as required by the Town of Spring Hill prior to the expiration date of this instrument the Town of Spring Hill shall notify the Bank in writing. Upon such notification, the Bank shall either renew the Letter of Credit for a term acceptable to the Town of Spring Hill or pay the amount set forth above to the Town of Spring Hill. **In case of default, Community First Bank & Trust hereby irrevocably agrees to pay the sum of Fifty Thousand Dollars and no/100 (\$50,000.00) for the improvements to be completed on behalf of the Town of Spring Hill in conjunction with this Project.** The Town of Spring Hill agrees to refund to Community First Bank & Trust any amounts not expended by the Town of Spring Hill to complete the unfinished requirements of the said Project.

It is understood and agreed that this in no way limits the liability of the developer for any costs in addition to Fifty Thousand Dollars and no/100 (\$50,000.00)

This agreement automatically terminates on November 10, 2010.

Sincerely,

Carl B. Campbell  
Senior Vice President and Chief Credit Officer

Except as otherwise expressly stated herein, this credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision). Internal Chamber of Commerce Publication No. 500.