

RESOLUTION 10-07

A RESOLUTION OF THE BOARD OF MAYOR AND ALDERMEN OF THE CITY OF
SPRING HILL, TN TO RENEW THE EXISTING LETTER OF CREDIT FOR
THE RESERVE AT PORT ROYAL SUBDIVISION – SECTION 1-A

WHEREAS, a Letter of Credit is currently in place for this development; and

WHEREAS, the Letter of Credit has an "shall renew automatically for additional one year periods" clause so it will only be terminated on written notification from Bank or by request of the City of Spring Hill; and

WHEREAS, the existing surety is guaranteeing the construction of certain improvements; and

WHEREAS, the following improvements are required pursuant to the Final Plat:

Water, Sewer, Storm Water Drainage and Basins, Streets and Curbs and final topping to all streets with 1 ½ inches of hot mix asphalt; and

WHEREAS, to date, the improvements have not been constructed and therefore a surety is required; and

WHEREAS, it is the recommendation of the Planning Commission that the existing Letter of Credit be renewed for twelve (12) months, in the amount of \$132,225.00; and

WHEREAS, it is anticipated that the date of completion for the above referenced improvements will be within the twelve (12) month period from the date of this resolution and in case such improvements are not completed in a timely manner, the Letter of Credit does not expire; and

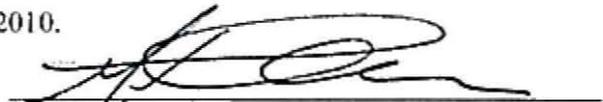
WHEREAS, the developer is required under Article III, Section 3-102.201 of the Subdivision Regulations to submit an "as-built" survey of the public improvements including storm drainage; and

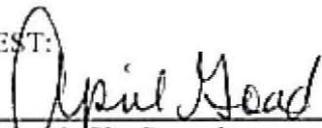
WHEREAS, the developer must post speed limit signs throughout the subdivision as required of all streets to be publicly dedicated.

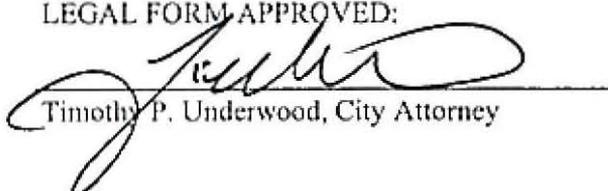
WHEREAS, upon completion of the public improvements listed above, the Developer will be required to file a "maintenance" bond guaranteeing performance of the public improvements for an additional one year period with the Planning Commission after the dedication and acceptance of such public improvements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

NOW, THEREFORE BE IT RESOLVED, by the Board of Mayor and Aldermen that the existing Letter of Credit for The Reserve at Port Royal Subdivision, Section 1-A in the amount of \$132,225.00 is hereby approved.

Passed and adopted this 16th day of February, 2010.


Michael Dinwiddie, Mayor

ATTEST:

April Good, City Recorder

LEGAL FORM APPROVED:

Timothy P. Underwood, City Attorney

**RESOLUTION 10-04 OF THE
PLANNING COMMISSION
OF THE CITY OF SPRING HILL, TENNESSEE**

**A RESOLUTION TO RENEW THE EXISTING LETTER OF CREDIT FOR
THE RESERVE AT PORT ROYAL SUBDIVISION – SECTION 1-A**

WHEREAS, a Letter of Credit is currently in place for this development; and

WHEREAS, the Letter of Credit has an "shall renew automatically for additional one year periods" clause so it will only be terminated on written notification from Bank or by request of the City of Spring Hill; and

WHEREAS, the existing surety is guaranteeing the construction of certain improvements; and

WHEREAS, the following improvements are required pursuant to the Final Plat:

Water, Sewer, Storm Water Drainage and Basins, Streets and Curbs and final topping to all streets with 1 ½ inches of hot mix asphalt; and

WHEREAS, to date, the improvements have not been constructed and therefore a surety is required; and

WHEREAS, it is the recommendation of the Codes Department that the existing Letter of Credit be renewed for twelve (12) months, in the amount of \$132,225.00; and

WHEREAS, it is anticipated that the date of completion for the above referenced improvements will be within the twelve (12) month period from the date of this resolution and in case such improvements are not completed in a timely manner, the Letter of Credit does not expire; and

WHEREAS, the developer is required under Article III, Section 3-102.201 of the Subdivision Regulations to submit an "as-built" survey of the public improvements including storm drainage; and

WHEREAS, the developer must post speed limit signs throughout the subdivision as required of all streets to be publicly dedicated.

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 Spring Hill Planning Commission that the existing Letter of Credit for The Reserve at Port Royal Subdivision, Section 1-A in the amount of \$132,225.00 is hereby recommended to the Board of Mayor and Aldermen.

Passed and adopted this 8th day of February, 2010.

Michael Glass, Chairman

Michael Dinwiddie, Secretary

BOND INFORMATION SHEET

Site Name: The Reserve at Port Royal Sec. 1-A

Type of Bond:	Letter of Credit	Original Bond Amount:	\$132,225	<u>Type of Action Requested:</u>
Bond #:	600082350	Current Bond Amount:	\$132,225	Bond Renewal <input checked="" type="checkbox"/>
Bond Issued:	18-Mar-08	25% of Original Amount:	\$33,056	Bond Reduction <input type="checkbox"/>
Expiration Date:	20-Mar-10	(Per Section 3-102.202 of Sub. Regs)		Bond Release <input type="checkbox"/>

Past Actions

Date:	Type of Action:	Amount:	Reason:

Required Installation

Streets		
Binder Installed:	Yes	
Road Base:	Stone	
Compaction Test Submitted:		N/A
Curb Installed:	Yes	
Final Topping installed:		No
Street Signs Installed:	Yes	
Street Lights Required:	Yes	
Side Walks Required:	Yes	

Sewer	
Sewer Line Installed:	Yes
Sewer Line Tested:	11-May-05
Pump Station Required:	No
"As Built" Drawings Submitted:	Yes
Meets City Specifications:	Yes

Storm Water Drainage System		
System Installed:	Yes	
"As Built" Drawings Submitted:		No
Meets City Specifications:	Yes	

Water	
Water Line Installed:	Yes
Water Line Tested:	April 26, 2005
"As Built" Drawings Submitted:	Yes
Meets City Specifications:	Yes

BOND INFORMATION SHEET

Site Name: The Reserve at Port Royal Sec. 1-A

Miscellaneous Site Information

Total Number of Lots:	47	Developer:	Tenn Contractors, Inc.
Current Number of Available Building Lots:	2	In Bankruptcy:	No
Amenities:	Complete:		NO
1. Pool, Cabana and Play Area			
2			
3			

Staff Comments:

1. Speed limit signs need to be installed
2. A final walk through inspection will need to be requested and completed prior to release of the performance bond and establishment of a maintenance bond.
3. The Letter of Credit has an automatic renewal clause - it will not expire unless bank notifies in advance.
4. Amenities are required. Plans to be submitted in March 2010. Grading permit issued for pad only.
5. Storm sewer as-builts have not been submitted.

Staff Recommendation:

Renew Letter of Credit in the current amount and require:

1. Speed limit signs to be installed
2. Storm as-builts to be submitted

Director of Codes
City of Spring Hill



211 Commerce Street • Suite 300 • Nashville, TN 37201 • (615) 744-3700

**IRREVOCABLE STANDBY LETTER OF CREDIT
(AUTO-RENEWAL)**

Irrevocable Standby Letter of Credit Number: 600082350

Transaction Date: March 18, 2008

Beneficiary:

City of Spring Hill
P.O. Box 789
199 Town Center Parkway
Spring Hill, TN 37174

Applicant:

Tenn. Contractors, Inc.
321 Billingsley Ct., Unit 3
Franklin, TN 37066

At the request of Tenn. Contractors, Inc., we, "Pinnacle National Bank", hereby issue our irrevocable standby Letter of Credit number 600082350.

This credit expires on: March 20, 2009.

This credit is for an aggregate amount not to exceed a total of \$132,225.00 United States Dollars.

This amount is available by the Beneficiary's draft(s) at sight drawn on Pinnacle National Bank and accompanied by an affidavit by or on behalf of the Beneficiary containing the following statement, appropriately completed:

"The sum of \$132,225.00 United States Dollars is due and owing to City of Spring Hill by Tenn. Contractors, Inc. under Section 1-A The Reserve at Port Royal, Spring Hill, TN 37174. Beneficiary's statement purportedly signed by one of its officials stating Tenn. Contractors, Inc. has not completed all road, water, storm, sewer, and street topping maintenance for Section 1-A The Reserve at Port Royal, Spring Hill, TN 37174."

Partial drawings are permitted under this Letter of Credit.

This Letter of Credit shall renew automatically for additional one-year periods from the present or any future expiration date unless 30 (thirty) days prior to such date, we shall notify you in writing by certified mail that we elect not to renew this letter of credit for such additional period. Upon receipt by you of such notice, you have the right

to draw against the amount remaining under this letter of credit by presentation of your clean sight draft.

We hereby agree that all drafts drawn under and in compliance with the terms of this credit will be duly honored on delivery of documents as specified if presented at our counters on or before the expiration indicated above.

Drafts drawn under this credit must be endorsed, must contain the clause "Drawn under Pinnacle National Bank Letter of Credit No. 600082350, dated, March 18, 2008" and must be accompanied by the documents specified in this credit and the original of this credit.

All documents to be presented to Pinnacle National Bank, 211 Commerce Street, Suite 300, Attention Letter of Credit Department, Nashville, TN 37201.

Except so far as otherwise expressly stated, this credit is subject to the Uniform Customs & Practice for Documentary Credits, 2007 Revision, International Chamber of Commerce Publication No. 600.


Charles R. Lanier
Pinnacle National Bank



January 6, 2010

Mr. John Ring
Tennessee Contractors Incorporated
321 Billingsley Court Unit 3
Franklin, Tennessee 37066

**Re: The Reserve at Port Royal (Phases 1-4)
Upcoming Bond Expiration**

Dear Mr. Ring:

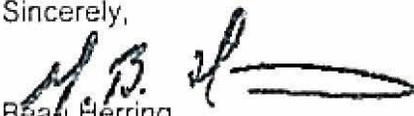
A review of our records indicates that the letters of credit for phases 1-A, 1-B, 2-A, 2-B, 3 and 4 currently on file with our office for The Reserve at Port Royal subdivision will be expiring on March 20th 2010.

All proposed action on bonds/letters of credit; whether for renewal, reduction or release must be brought before the Planning Commission and Board of Mayor and Aldermen for approval prior to their expiration date. Based on the above referenced expiration date, this office must receive correspondence as to the proposed action on the bond prior to January 14th, 2010 so that the information can be processed timely and placed on the February agendas for approval.

It is the responsibility of the developer to ensure that all bonds/letters of credit pertaining to this project are kept current. Enclosed, please find a brief summary of our current bond requirements and an application form that needs to be signed and submitted to our office with any additional information deemed necessary. If correspondence is not received by **January 14th 2010** the City may be forced to take action on the current bond.

Thank you for your continued cooperation. If you have any questions, please do not hesitate to contact our office.

Sincerely,


Beau Herring
Director of Codes and Planning