

Application, Conditions, and Compliance Agreement
Posting of Irrevocable Letter of Credit in Lieu of Public Improvement
Completion/Acceptance

Name of Owner or Developer: _____

Name of Project: _____

Address of Owner or Developer: _____

Phone Number: _____

FAX Number (if available): _____

Is there anyone in addition to yourself who may be contacted with respect to this Letter of Credit or the improvements required or covered by this surety?

___ Yes (please list below)

___ No

Name: _____

Address: _____

Phone Number: _____

Cost Estimate for Improvement

I hereby certify that to the best of my knowledge and belief that the following estimates are accurate and that they have been prepared by a licensed engineer or by an individual, agency, or corporation qualified to provide estimates for the installation of said improvements:

Street Construction (include all design elements) \$ _____

Storm Water Management (include design and installation): \$ _____

Sidewalks (include design and installation): \$ _____

Water/Sewer Improvements: \$ _____

Fire Hydrants: \$ _____

Other (Specify: _____): \$ _____

Total: \$ _____

Please attach detailed estimates to this form.

I understand and agree that the estimates provided above and attached hereto will be provided to the agency or City/County department having inspection and/or approval responsibilities for the respective improvements. The agency or City/County department may require monies to be posted in surety which are in excess of those provided above if it is determined that the estimates provided are insufficient to guarantee installation and acceptance.

Conditions for Acceptance of Letters of Credit

Responsibility of a Developer in Posting Surety

I, the owner/developer of the project as indicated above, understand and agree as follows:

1. Prior to the establishment of the Letter of Credit for my project, the cost estimates, as provided above, will be submitted to and approved by the Hopkinsville-Christian County Planning ["Commission"]. The Letter of Credit will be provided in an amount equal to 100% of the approved cost estimates for design and installation.
2. The Letter of Credit as issued by the bank must be in a format which is approved by the Commission (Please see attached format).
3. The Letter of Credit's term may not be less than six months nor more than one year. Letters of Credit issued by or requiring document presentation at branches or main offices outside of Christian County must contain an automatic extension clause, as provided in the approved format. Letters of Credit issued by in-county banks with an in-county place of presentation office may, at the discretion of the lending institution, include the automatic extension clause.

Time Limitation and Responsibility to Notify

The public improvements as provided herein are to be installed and approved within one year of the posting of the letter of credit. In the event that hardship or unforeseen circumstances prevent the installation of improvements within one year, the Commission may, at its discretion, allow the letter of credit to be extended for an additional term (Please see attached request form).

Prior to the granting of an extension, the developer and/or owner understand and agree as follows:

1. The owner/developer will notify the Commission no less than thirty (30) days prior to the expiration of the letter of credit's term that the public improvements have not been completed and request an extension.
2. The granting of an extension for a term of an additional year may, at the Commission's discretion, be granted administratively. The owner/developer may be required to submit a revised cost estimate and a proposed timeline for project completion. If a revised cost estimate is required, the sum of the letter of credit may be increased to guarantee the installation of remaining improvements.
3. Letters of Credit that are posted for subdivision approval, specifically street construction, may not be extended cumulatively beyond thirty-six months unless approved by the full Commission. The Commission will require that prior to any surety's extension, beyond a cumulative period of thirty-six months, that the owner/developer provides a written timeline for completing the required project. The timeline must be agreeable to and approved by the Commission.
4. When the extension of a letter of credit requires the issuing bank to provide an amended letter of credit, the amended letter of credit must be provided to the

Commission no less than ten (10) days prior to the expiration of the original letter of credit's term. In the event that an amendment is provided less than ten (10) days prior to expiration and said delay results in the preparation or delivery of "failure to perform drafts" by the Commission, the owner/developer is responsible to reimburse the Commission for all costs associated with the preparation and/or delivery of drafts.

Nothing herein shall be construed as a guarantee or inference that an extension of surety will be automatically granted after a one year period as provided in the Subdivision Regulations nor limit the ability of the Commission to declare the surety in default after the completion date specified in the original letter of credit.

Request for Surety Reduction

The Commission may, at its discretion, grant reductions in the amount of a letter of credit to reflect progress by an owner/developer in installing required improvements. The owner/developer must provide requests for reduction no less than thirty (30) days prior to the expiration of a letter of credit. Request for reduction may accompany the notification and request for extension as provided above. The owner/developer must provide cost estimates or documentation justifying the reduction (Please see attached reduction form).

Notification of Improvement Completion and Request For Release

Once all improvements covered by the letter of credit are installed and are accepted by the City or County, the Commission will release the letter of credit. The owner/developer is responsible for notifying the Commission of project completion and requesting acceptance of the improvements. Notification should be provided no less than thirty (30) days prior to the expiration of the letter of credit. The acceptance of city streets and county roadways requires action by the Hopkinsville City Council or Christian County Fiscal Court. Notification of street/roadway completion and requests for acceptance should be submitted no less than ninety days prior to the expiration of the letter of credit. In the event that notification is provided less than ninety (90) days prior to the expiration and said delay results in the preparation or delivery of "failure to perform drafts" by the Commission, the owner/developer is responsible to reimburse the Commission for all costs associated with the preparation and/or delivery of drafts. The letter of credit may not be released until the improvements are accepted and the Commission provides written notification of completion and acceptance to the issuing bank.

The Letter of Credit is Not a Waiver of Liability

In the event of a failure to perform, default, or failure to extend a letter of credit, the Commission reserves the right to take all available legal and administrative actions necessary to compel the completion of the project by the owner/developer, to secure all necessary easements and rights of entry, and/or to recoup any public funds expended by the City and/or County in the fulfillment of the owner/developer's obligation.

Compliance Agreement

I, _____, as the owner/developer and the provider of the Letter of Credit have read, understand, and agree to be bound by the conditions as provided herein. I understand and agree that I have been advised that I may forego the requirement to provide a Letter of Credit by having the required public improvements installed and approved prior to the issuance of my building permit and/or the approval of my subdivision plat. I understand and agree that I have been advised that alternate forms of surety, including the establishment of an escrow account or performance bond, are available and that I have voluntarily elected to provide a Letter of Credit. I understand and agree that my failure to perform the required improvement or comply with the conditions as outlined herein will constitute a violation of Title XV of the City of Hopkinsville, Kentucky Code of Ordinances and/or the Hopkinsville Subdivision Regulations or the Subdivision Guidelines of Christian County, Kentucky.

Developer/Owner Signature

DATE

Witness to Agreement

DATE