



FINANCIAL SECURITY AGREEMENT

for

REQUIRED ON-SITE IMPROVEMENTS

Certain public or on-site improvements, including paved parking, drainage, curb/gutter sidewalks and landscaping, are required by City Code. During certain seasons of the year, it is impractical for these improvements to be installed concurrently of completions of development. Where a Certificate of Occupancy is requested prior to the completion of such required improvements, the applicant shall provide financial security in the amount of 125% of the estimated cost of materials and labor to ensure such improvements are completed. As soon as practical, follow project completion financial security forms with **supporting contracts or bids itemizing the project completion and letter of authorization** which shall be submitted to the Community Development Department. Include in this supporting contracts a completion date for improvements. The same instrument may cover several City Departments for completion of the project.

Financial Security shall be in one of the following forms:

1. Cash or collateral deposited with the City of Greeley.
2. Guarantee from a Colorado lender based upon either a cash deposit or a line of credit, in a form acceptable to the City Attorney.
3. Irrevocable Letter of Credit from a Colorado banking institution in a form acceptable to the City Attorney. Such Letters of Credit shall not expire in less than seven (7) months unless otherwise approved by the City Attorney.
4. Surety bond executed by a corporate surety licensed to do business in the State of Colorado, and countersigned by a resident agent of such corporate surety.

Any other financial security must be found acceptable by the City Attorney.

An administrative fee of twenty percent (20%) will be assessed if the security instrument is invoked.

Draws may be made on the security instrument in increments of \$10,000 on forms provided by the developer's bank and approved by the City Attorney and City Finance Director.

(ISSUING BANK'S LETTERHEAD)

IRREVOCABLE LETTER OF CREDIT

Date of Issue: _____
Issuing Bank: _____
Letter of Credit No.: _____
Amount: _____

City of Greeley ("City")
1100 10th Street, Suite 202
Greeley, CO 80631

Ladies and Gentlemen:

We hereby establish this Irrevocable Letter of Credit in your favor for an amount up to the aggregate sum of _____ U.S. dollars.

Funds under this credit are available to you by your draft or drafts drawn at sight on us containing the number of this Letter of Credit as set forth above.

Partial drawings are permitted.

The sole condition for payment of any draft drawn under this Letter of Credit is that the draft be accompanied by a letter, on the City's letterhead, signed by the City Manager or the Acting City Manager, stating that **[NAME OF DEVELOPER]**, its successor, transferee, or assign, has failed to perform in accordance with the **[PRIVATE/PUBLIC]** improvements agreement for the **[NAME OF SUBDIVISION]** dated the _____ day of _____, 20____.

Demands for payment by the City pursuant to this Letter of Credit shall be deemed timely if deposited in the U.S. Mail prior to its date of expiration, affixed with first-class postage, and addressed to the above letterhead address.

This Letter of Credit shall have an initial term of one (1) year from its Date of Issue, but shall be deemed automatically extended without amendment or other action by either party for additional periods of one year from the present or any future expiration date hereof, unless we provide the City with written notice, by registered mail, return receipt requested, at least ninety (90) days prior to the expiration date, that we do not wish to extend this Letter of Credit for an additional period. After receipt by the City of such notice, the City may draw hereunder, on or before the then-applicable expiration date, and for the then-remaining available amount by means of the City's sight draft, drawn on the issuing bank, accompanied by a letter, on the City's letterhead, signed by the City Manager or Acting City Manager stating the following:

We are in receipt of written notice from [NAME OF BANK] of its election not to renew its Letter of Credit No. [FILL IN] for an additional term of one (1) year and [FILL IN], its successor, transferee, or assign, is still obligated to the City under the [PRIVATE/PUBLIC] Improvements Agreement for the [NAME] Subdivision, and an acceptable replacement Letter of Credit has not been received.

We hereby agree with the City that such drafts will be processed in good faith and duly honored upon presentation to us.

We further agree that the exclusive venue for any action concerning this Letter of Credit shall be, at the sole election of the City, in the District Court for Weld County, Colorado. We further agree that the procedural and substantive laws of the State of Colorado shall apply to any such action.

We further agree that in the event it becomes necessary for the City to bring an action to enforce the terms of this Letter of Credit, or any action alleging wrongful dishonor of this Letter of Credit, and the City prevails in such action, the City shall be entitled to recover its reasonable attorney's fees and all costs and expenses associated with such litigation. We further agree that if we bring an action against the City related directly or indirectly to this Letter of Credit, and the City prevails in such action, the City shall be entitled to recover its reasonable attorney's fees and other costs of such litigation.

The amount of funds available under this Letter of Credit may not be reduced except by payment of drafts drawn hereunder, or pursuant to written authorization given to us by the City.

Except as otherwise provided for above, this Letter of Credit is subject to the Uniform Customs and Practice for Documentary Credits (1993 Revision), International Chamber of Commerce, Publication Number 500.

Very Truly Yours,
[NAME OF BANK]

By: _____
Signature of Authorized Signing Officer

[SIGNATURE MUST
BE NOTARIZED]

Print Name

STATE OF COLORADO)
) ss.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 20____, by _____.

Witness my hand and official seal.

My commission expires: _____

(S E A L)

Notary Public



FINANCIAL SECURITY AGREEMENT

Owner:	Email:
Contact Name:	Phone:
Project:	File/Case #:
Address:	
Assigned Staff:	Dept/Div:

The following improvements are required:

- **Attachments:**
 - Approved Plans (Site / LS / Construction / _____)
 - Itemized bid(s) for installation (materials & labor) of required site improvements, provided by professional licensed, bonded contractor
 - Financial Security for 125% of the Cost Estimate (per [§4.58.020](#)): \$ _____ x 125% = \$ _____ via _____
 - _____ Surety bond
 - _____ Cash or Collateral deposit
 - _____ Line of Credit
 - _____ Irrevocable Letter of Credit

Deadline to install, if applicable: _____ **Staff Initial:** _____ **Owner Initial:** _____

Agreement:

Pursuant to [Section 4.58.010 of the Greeley Municipal Code](#), the Owner has opted to provide the City with adequate financial security in lieu of timely completion of the required public or private improvements identified above. Release of this instrument is dependent upon final improvement inspections by the City verifying full installation per approved plans. For larger capital projects, release may be phased incrementally, as improvements are made and verified.

If required improvements are not installed by the deadline, if applicable, this project may be found in violation of the Greeley Municipal Code and subject to code enforcement and other legal action. No additional approvals or permits will be issued by the City for this property if a violation of the Municipal Code exists.

If all improvements are not installed, this Financial Security may be drawn upon and utilized by the City to ensure full compliance with approved plans, including an assessment of twenty percent (20%) for administrative fees. If the funds provided do not fully cover the cost of improvements and administration, the City will seek additional funds from the owner to ensure completion through any available legal process.

Owner Signature*:

Signed by (print): _____ Title: _____

Signature: _____ Date: _____

**Notarized Statement of Authority is required if signatory is a member of a Corporation.*