

**SEC. 300.9 MAINTENANCE LETTER OF CREDIT**

(Ord. No. 2007-41, 4-10-07)

A maintenance letter of credit shall meet the following conditions:

- A. Amount.** The maintenance letter of credit shall reflect 25% of the donated assets value estimate prepared by the engineer-of-record.

Phased Projects. For a development project of 40 acres or more which has been approved for phasing by the Planning Commission, a maintenance letter of credit shall reflect 25% of the donated assets value for the first phase, which must be a minimum of 20 acres, plus 10% of the donated assets for additional phases, each of which must be a minimum of 20 acres. In the event the letter of credit issued for the first phase has expired, the maintenance letter of credit shall reflect 25% of the donated assets value for the second phase and all subsequent phases.

- B. Beneficiary.** The maintenance letter of credit shall be irrevocable and shall list the City of Bentonville as the beneficiary.

- C. Format.** The maintenance letter of credit shall be in a format as provided by the City or as approved by the Staff Attorney or his or her designee.

- D. Term.** The maintenance letter of credit shall run for no less than one (1) year from the date of approval by City Council.

- E. Entitlement of Payment.** At the end of that year, if the improvements have not been adequately maintained, as determined by the Community Development Director or his or her designee(s), the City shall be entitled to payment under the terms of the maintenance letter of credit. Further, the City shall be entitled to use all of the money secured by the maintenance letter of credit to assure the proper maintenance of the improvement.

- F. Excess Monies.** The owner/developer shall not be entitled to any excess monies until the maintenance of the improvements in the development has been completed.

**SEC. 300.10 GUARANTEES**

(Ord. No. 2007-41, 4-10-07)

Prior to final plat approval, the owner/developer shall enter into an agreement with the City to guarantee installation or ensure the completion of improvements. The City will accept the subdivision and issue a Certificate of Final Plat approval subject to the following guarantee requirements:

- A. Amount.** The owner/developer shall provide a cashier's check to the City of Bentonville for an amount 150% of the total estimated cost for improvements as approved by the Community Development Director or his or her designee(s).

- B. Term.** The cashier's check shall be deposited immediately. The owner/ developer shall have a maximum of 60 days to complete the improvements, unless an extension is granted by the Community Development Director or his or her designee(s).

- C. City Action.** If the improvements have not been completed within the terms provided for in B. Term above, the City may take one of the following actions:

1. Construct the remaining improvements using the amount of the cashier's check. Any balance remaining after the improvements have been constructed shall be returned to the owner/developer. The owner/ developer shall be liable for any cost exceeding the amount of the cashier's check; or,
2. Continue to hold the funds until the owner/developer completes the required improvements.

**D. Release of Guarantee**

1. **Certificate of Completion.** To request a release of a guarantee, the owner/developer's engineer of record shall submit a certification of completion to the City Engineer or his or her designee(s) that the development is complete and functional.
2. **Final Inspection.** The City Engineer shall conduct a Final Inspection of remaining guaranteed items. The Final Inspection must be approved prior to releasing the guarantee.
3. **Guarantee Released.** Guarantee released and the City shall reimburse the owner/developer for the amount of the cashier's check.