

ARTICLE V IMPROVEMENT GUARANTEES

Section 5-1. Purpose

Where required improvements have not been completed and certified by the applicant developer prior to final plat approval, improvement guarantees may be provided to ensure the proper installation of such required improvements. The nature and duration of guarantees shall be structured to ensure installation of such improvements without adding unnecessary costs to the developer.

Section 5-2. Optional Guarantees

Before recording final subdivision or development plats, or as a condition of final plat approval, the Planning Commission may require and the City Council may accept the following financial guarantees in an amount equal to 125 percent of the cost of installing the improvements.

1. Security Bond. The applicant may obtain a security bond from a surety bonding company authorized to do business in the state.
2. Letter of Credit. The applicant may provide an irrevocable letter of credit from a bank or other reputable institution.
3. Escrow Account. The applicant may deposit cash, or other instruments readily convertible into cash at face value, with the city or in escrow with a bank.
4. Property. The applicant may provide as a guarantee land or other property.
5. Improvement Guarantee. The applicant may provide as a guarantee an improvement agreement between the applicant, lender, and the City.
6. Prepayment. The applicant may make a payment to the City in the full amount of said improvements. Any unexpended funds shall be returned to the applicant.

Section 5-3. Option To Refuse Guarantee

The City Council shall have the right to refuse any of the optional financial guarantees and require construction and installation of all improvements by the developer, where:

1. Past performance of the developer is unsatisfactory, or
2. The selected option is unacceptable.
3. Section 5-4. Allocation of Guarantee

Any funds received from financial guarantees required by this Ordinance shall be used only for the purpose of making the improvements for which said guarantees were provided.

Section 5-5. Default of Guarantee

In the event the developer fails to install or construct the required improvements during the specified time allotted and in conformity with these regulations, the improvement guarantee shall be forfeited to the City to be used for completion of the improvements.

Section 5-6. Extension of Guarantee

If it appears to the developer that he may not complete construction of required improvements before expiration of his Improvement Guarantee, it shall be his obligation, at least 15 days prior to said expiration, to submit an extended guarantee request to City Council for approval. Such extension, if approved, shall be for a period of six months. A maximum of two such extensions shall be allowed.

Section 5-7. Acceptable Format for Improvement Guarantee

Any deviation from the acceptable format below may delay acceptance of this instrument:

STATE OF SOUTH CAROLINA

CITY OF LORIS

IMPROVEMENT GUARANTEE

KNOW ALL MEN BY THESE PRESENTS that we, _____,
as principal, and _____, as security, are held and firmly bound
unto the City of Loris, South Carolina, as oblige, in the sum of \$_____, for payment whereof to the
oblige, the principal and security bind themselves, their heirs, executors, administrators, successors,
and assigns, jointly and severally, firmly to these presents:

Signed, sealed, and dated, this _____ day of _____, 19_____.

WHEREAS, application was made to the oblige for approval of a subdivision shown on a plat entitle
“ _____”, dated
_____, 19_____, and filed with the Loris Planning Commission, and
said final plat was approved upon certain conditions, one of which is that an Improvement Guarantee
in the amount of \$_____ be filed with the City of Loris to guarantee certain
improvements in said subdivision;

NOW THEREFORE, THE CONDITION OF THIS OBLIGATION is such that the above-named
principal shall, within _____ from the date hereof (in no case shall the
improvement guarantee be valid for more than two years), truly make and perform the required

improvements and construction of public improvements in said subdivision/development in accordance with the specifications of the Land Development Ordinance, then this obligation will be void; otherwise it will remain in full force and effect.

It is hereby understood and agreed that in the event any required improvements have not been installed within the terms of this Improvement Guarantee, the Loris City Council may thereupon declare this guarantee to be in default and collect the sum remaining payable thereunder, and upon receipt of the proceeds thereof, the city shall install such improvements as are covered by the guarantee.

It is further understood and agreed that when the required improvements have been approved for conformity with these regulations by the Director of Public Works, the guarantee shall be released and returned. In addition, if any portion of the required improvements is completed by the developer and approved by the Director of Public Works, a portion of the guarantee commensurate with the cost of these completed improvements may be released and returned. In no event shall an improvement guarantee be reduced below twenty-five (25%) percent of the principal amount until all improvements have been approved by the Director of Public Works.

Approved and accepted
this _____ day of
_____, 19____
by the Loris City
Council

_____ (L.S.)
_____ (L.S.)

Mayor

Clerk