

Appendix A – Letter of Credit Form

Board of Selectmen

Re:

Dear Town Officials:

By this document the _____ Bank (hereinafter “Issuer”) hereby issues an irrevocable Letter of Credit in the amount of \$ _____ to the Town of Northfield on behalf of _____ (hereinafter “Owner/Excavator”). This irrevocable Letter of Credit is issued to guarantee completion of all improvements required by the Northfield Planning Board and the Town of Northfield Excavation regulations in conjunction with an excavation and reclamation plan entitled “ _____”, dated _____, prepared by _____ and approved by the Northfield Planning Board on _____.

It is understood that the improvements guaranteed by this irrevocable Letter of Credit include, but are not limited to the following:

1. Construction of _____ linear feet of roadway along with all associated utilities. Said roadway being shown on the above referenced plan as _____.
2. Restoration of the site and control of erosion.
3. _____
4. _____

It is agreed and understood by the issuer of this Letter of Credit that it shall be issued for a period of _____ months. If all improvements guaranteed by this Letter of Credit are not completed by _____ (Date) and if a certificate indicating completion of all improvements/reclamation has not been issued by the Regulator, then this Letter of Credit shall be automatically considered to have been called, and without further action of the Town of Northfield or its Planning Board, the _____ Bank shall forthwith forward a check in the amount of \$ _____ to the Treasurer of the Town of Northfield. The funds so forwarded to

the Town Treasurer shall be used exclusively for the purpose of completing the improvements/reclamation which are guaranteed by this Letter of Credit. Any funds not needed by the Town to complete improvements required by the excavation/reclamation plan referred to above shall be returned to the _____ Bank.

Upon receipt of written approval of the Town, the issuer may reduce (“draw down”) the amount of the Letter of Credit in accordance with the authorization of the Town.

Provided, however, that 10% of the principal amount held for the reclamation portion of the project shall be retained for one year after completion of the improvements to cover any latent defects appearing during the year and shall thereafter be returned to the issuer or become the property of the Town of Northfield, if necessary to remedy any such latent defects.

Dated: _____

Signature of Bank Official

I have read this Letter of Credit and agree to its terms.

Dated: _____

Signature of Owner/Excavator