

CONTRACT ROUTING FORM

1. Complete the information below BEFORE printing and completing items 2 through 7. Items in red are required.

Department: Planning Department
Department contract file name (use effective date): Firefly Overlook_Planning_20240606
Project Code: Click here to enter text.
Contract type: Contract
Contracted Services/Goods: Financial Guarantee for Infrastructure
Contract Component: Payment and Performance Bond
Change Order Number/Addendum Number: Click here to enter text.
Vendor Name: Pea Ridge Developers, LLC
Effective Date: 06/06/2024
Approved by: County Manager
Date approved by the BOC: Click here to enter text.
Ending Date: 4/21/2025
Total Amount: Financial Guarantee - \$157,713.00

Please Return Contract to:
Name: Hunter Glenn
Email:
hunter.glenn@chathamcountync.gov
Special Instructions for Clerks
Office:

2. Department Head or his/her designee has read the contract in its entirety.
By: Jam Bull (Department Head signature required)

3. County Attorney has reviewed and approved the contract
County Attorney has reviewed and rejects the contract Reason: _____

This is an automatic renewal and does not require approval from the County Attorney: Yes No

If this box is checked the County Attorney's Office has reviewed the contract but has not made needed changes to protect the County because the contract is a sole source contract and the services required by the County are not available from another vendor.

4. Technical/MIS Advisor has reviewed the contract if applicable. Yes No

5. Vendor has signed the contract. Yes No

6. A budget amendment is necessary before approval. Yes No
If budget amendment is necessary, please attach to this form.

7. Approval

- Requires approval by the BOC - contracts over \$100,000.00. Follow Board submission guidelines.
- Requires approval by the Manager – contracts \$100,000 or less.

8. Submit to Clerk.

Clerk's Office Only

Finance Officer has signed the contract
 The Finance Officer is not required to sign the contract

NORTH CAROLINA
CHATHAM COUNTY

THIS CONTRACT FOR SUBDIVISION IMPROVEMENTS (this "Contract") made and entered into this the 6th day of JUNE, 2024, by and between Pea Ridge Developers, LLC with a mailing address of 610 Hawks Ridge Court, Apex, North Carolina 27539-9325 (the "Developer") and Chatham County, a body politic and corporate of the State of North Carolina, with a mailing address of Post Office Box 54, Pittsboro, North Carolina 27312 (the "County");

W I T N E S S E T H:


WHEREAS, the Developer wishes to guarantee the satisfactory construction, installation, and completion of all improvements required by the County and previously agreed to by the Developer for Firefly Overlook (30 Lots) (the "Subdivision").

NOW, THEREFORE, Developer and County agree as follows:

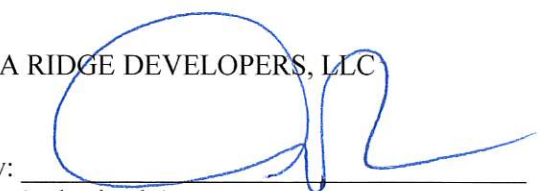
1. The Developer shall apply for all necessary permits or approvals and shall construct, install, and complete the improvements as set forth in the records of the County approving the Subdivision, including, without limitation, all correspondence, cost estimates, subdivision plats, and other filings, which records are incorporated in this Contract by reference (the "Improvements").
2. The Developer shall provide adequate security acceptable to the County in an amount not less than the amount determined by Jeff Foster, P.E., a licensed architect or engineer, of CE Group sufficient to secure the satisfactory construction, installation, and completion of the Improvements based on a Total Cost of Improvements letter dated May 6, 2024 (the "Security").
3. The Developer shall complete all Improvements on or before April 21, 2025.
4. After completion of all Improvements and upon acceptance of such work by the County, Developer may apply in writing for release of the security given to the County in Paragraph 2. Developer shall deliver to the County a certifying statement, in a form reasonably acceptable to the County, from the Engineer of Record verifying the satisfactory completion of the Improvements. Upon receipt and investigation of the certifying statement, the Planning Director of the County (or his/her designee) shall issue a notice of cancelation and termination of the Security, or such portion thereof, as the Developer may be entitled to receive, within a period of sixty (60) days thereafter.
5. This Contract may be extended by the County for good cause shown by the Developer and will be extended upon demonstration by the Developer that any necessary permits or approvals required by third parties have not been issued through no fault of the Developer. In the event this Contract is extended, Developer may seek a reduction of the Security reflecting the substantial completion of the Improvements.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed as of the day and year first written above.

CHATHAM COUNTY

By: 
Dan LaMontagne, County Manager

PEA RIDGE DEVELOPERS, LLC

By: 
Authorized Agent

IRREVOCABLE LETTER OF CREDIT

Borrower: Pea Ridge Developers, LLC
610 Hawks Ridge Ct
Apex, NC 27539-9325

Lender: Southern First Bank
Wade Park
5444 Wade Park Boulevard, Suite 100
Raleigh, NC 27607
(877) 679-9646

COPY

Beneficiary: Chatham County
80 East Street
Pittsboro, NC 27312

NO.: 720

EXPIRATION DATE. This letter of credit shall expire upon the close of business on 06-05-2025 and all drafts and accompanying statements or documents must be presented to Lender on or before that time (the "Expiration Date").

AMOUNT OF CREDIT. Lender hereby establishes at the request and for the account of Borrower, an Irrevocable Letter of Credit in favor of Beneficiary for a sum of One Hundred Fifty-seven Thousand Seven Hundred Thirteen & 00/100 Dollars (\$157,713.00) (the "Letter of Credit"). These funds shall be made available to Beneficiary upon Lender's receipt from Beneficiary of sight drafts drawn on Lender at Lender's address indicated above (or other such address that Lender may provide Beneficiary in writing) during regular business hours and accompanied by the signed written statements or documents indicated below.

WARNING TO BENEFICIARY: PLEASE EXAMINE THIS LETTER OF CREDIT AT ONCE. IF YOU FEEL UNABLE TO MEET ANY OF ITS REQUIREMENTS, EITHER SINGLY OR TOGETHER, YOU SHOULD CONTACT BORROWER IMMEDIATELY TO SEE IF THE LETTER OF CREDIT CAN BE AMENDED. OTHERWISE, YOU WILL RISK LOSING PAYMENT UNDER THIS LETTER OF CREDIT FOR FAILURE TO COMPLY STRICTLY WITH ITS TERMS AS WRITTEN.

DRAFT TERMS AND CONDITIONS. Lender shall honor drafts submitted by Beneficiary under the following terms and conditions: Upon default of Letter of Credit #720 provided to Greenville County Planning Commission for the engineer estimate for bond reduction, drafts drawn under this Letter of Credit must state on their face "Drawn under Southern First Bank Irrevocable Letter of Credit #720 dated June 5, 2024".

Upon Lender's honor of such drafts, Lender shall be fully discharged of Lender's obligations under this Letter of Credit and shall not be obligated to make any further payments under this Letter of Credit once the full amount of credit available under this Letter of Credit has been drawn.

Beneficiary shall have no recourse against Lender for any amount paid under this Letter of Credit once Lender has honored any draft or other document which complies strictly with this Letter of Credit, and which on its face appears otherwise in order but which is signed, issued, or presented by a party or under the name of a party purporting to act for Beneficiary, purporting to claim through Beneficiary, or posing as Beneficiary without Beneficiary's authorization. By paying an amount demanded in accordance with this Letter of Credit, Lender makes no representation as to the correctness of the amount demanded and Lender shall not be liable to Beneficiary, or any other person, for any amount paid or disbursed for any reason whatsoever, including, without limitation, any nonapplication or misapplication by Beneficiary of the proceeds of such payment. By presenting upon Lender or a confirming bank, Beneficiary certifies that Beneficiary has not and will not present upon the other, unless and until Beneficiary meets with dishonor. Beneficiary promises to return to Lender any funds received by Beneficiary in excess of the Letter of Credit's maximum drawing amount.

USE RESTRICTIONS. All drafts must be marked "DRAWN UNDER Southern First Bank IRREVOCABLE LETTER OF CREDIT NO. 720 DATED 06-05-2024," and the amount of each draft shall be marked on the draft. Only Beneficiary may complete a draft and accompanying statements or documents required by this Letter of Credit and make a draw under this Letter of Credit. This original Letter of Credit must accompany any draft drawn hereunder.

Partial draws are permitted under this Letter of Credit. Lender's honor of a partial draw shall correspondingly reduce the amount of credit available under this Letter of Credit. Following a partial draw, Lender shall return this original Letter of Credit to Beneficiary with the partial draw noted hereon; in the alternative, and in its sole discretion, Lender may issue a substitute Letter of Credit to Beneficiary in the amount shown above, less any partial draw(s).

PERMITTED TRANSFEREES. The right to draw under this Letter of Credit shall be nontransferable, except for:

- A. A transfer (in its entirety, but not in part) by direct operation of law to the administrator, executor, bankruptcy trustee, receiver, liquidator, successor, or other representative at law of the original Beneficiary; and
- B. The first immediate transfer (in its entirety, but not in part) by such legal representative to a third party after express approval of a governmental body (judicial, administrative, or executive).

TRANSFEREES REQUIRED DOCUMENTS. When the presenter is a permitted transferee (i) by operation of law or (ii) a third party receiving transfer from a legal representative, as described above, the documents required for a draw shall include a certified copy of the one or more documents which show the presenter's authority to claim through or to act with authority for the original Beneficiary.

COMPLIANCE BURDEN. Lender is not responsible for any impossibility or other difficulty in achieving strict compliance with the requirements of this Letter of Credit precisely as written. Beneficiary understands and acknowledges: (i) that unless and until the present wording of this Letter of Credit is amended with Lender's prior written consent, the burden of complying strictly with such wording remains solely upon Beneficiary, and (ii) that Lender is relying upon the lack of such amendment as constituting Beneficiary's initial and continued approval of such wording.

NON-SEVERABILITY. If any aspect of this Letter of Credit is ever declared unenforceable for any reason by any court or governmental body having jurisdiction, Lender's entire engagement under this Letter of Credit shall be deemed null and void ab initio, and both Lender and Beneficiary shall be restored to the position each would have occupied with all rights available as though this Letter of Credit had never occurred. This non-severability provision shall override all other provisions in this Letter of Credit, no matter where such provision appears within this Letter of Credit.

GOVERNING LAW. This Agreement will be governed by federal law applicable to Lender and, to the extent not preempted by federal law, the laws of the State of North Carolina without regard to its conflicts of law provisions, and except to the extent such laws are inconsistent with the 2007 Revision of the Uniform Customs and Practice for Documentary Credits of the International Chamber of Commerce, ICC Publication No. 600. This Agreement has been accepted by Lender in the State of North Carolina.

EXPIRATION. Lender hereby agrees with Beneficiary that drafts drawn under and in compliance with the terms of this Letter of Credit will be duly honored if presented to Lender on or before the Expiration Date unless otherwise provided for above.

IRREVOCABLE LETTER OF CREDIT
(Continued)

Loan No: 4320776

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Dated: June 5, 2024

LENDER:

SOUTHERN FIRST BANK

By: 
Laura D. Keefer, Team Leader

ENDORSEMENT OF DRAFTS DRAWN:

Date	Negotiated By	Amount In Words	Amount In Figures
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CE GROUP

301 GLENWOOD AVENUE, SUITE 220
RALEIGH, NC 27603
Phone: (919) 367-8790
E-Mail: jeff@cegroupinc.com

May 6, 2024

Kimberly Tyson, Subdivision Administrator
Chatham County Planning Department
P.O. Box 87
Pittsboro, NC 27312

RE: **Firefly Overlook (30 Lots)**
Chatham County, NC

Dear Ms. Tyson:

I have inspected the construction for this project which consists of 30 lots located along Seaforth Preserve Drive. I hereby certify that construction is 92.1% complete. Below is a list of the estimated remaining Probable Construction Costs and the corresponding amounts required to complete the horizontal construction. A 25% contingency has been added to each item per County requirements.

TYPE OF IMPROVEMENT	COST TO COMPLETE	COMPLETED TO DATE	AMOUNT REMAINING	BOND / LOC AMOUNTS
Clearing, Grubbing, & Grading Erosion Control	\$ 499,227	\$ 484,227	\$ 15,000	\$ 18,750
Storm Drainage	\$ 173,282	\$ 173,282	\$ 0	\$ 0
WQ Ponds & Final Seeding	\$ 348,640	\$ 318,640	\$ 30,000	\$ 37,500
Street Construction	\$ 413,902	\$ 323,732	\$ 81,170	\$ 101,463
Total	\$1,435,051	\$ 1,308,881	\$ 126,170	\$ 157,713

Bond / LOC Amount: \$ 157,713

All roadways within the subdivision are public and have been constructed to NCDOT standards. Each lot will have an individual well & septic system. I would anticipate that these costs will be valid for 2 years from this data.

The contractor has completed placement of and compaction of stone on the road and is currently paving the street. A final plat will be prepared for presenting to you soon.

Please contact us if you have any questions or need any additional information.

Respectfully submitted,

Jeff Foster, PE
CE Group, Inc.

