

DISTRICT OF MAPLE RIDGE

TITLE: DEVELOPMENT COST CHARGES INSTALLMENT PAYMENT
SECURITY

POLICY NO. 5.15

APPROVAL DATE: July 9, 1993

POLICY STATEMENT:

Developers may elect to pay development cost charges in excess of \$50,000 by installments provided that they deposit acceptable securities to guarantee the recovery of installments.

Acceptable securities are as follows:

An irrevocable standby letter of credit provided that:

- the document includes an automatic renewal clause
- the document is issued by a financial institution

Term deposits provided that:

- they are registered without qualification in the name of the Corporation of the District of Maple Ridge
- interest is payable by the granting institution directly to the developer
- the document is issued by a financial institution

Letters of guarantee do not constitute "acceptable security."

PURPOSE:

To define the acceptable securities that may be used to guarantee the recovery of Development Cost Charge installments.

DEFINITIONS:

"Automatic renewal clause" must state that: "It is a condition of the Irrevocable Standby Letter of Credit that it shall be deemed to be automatically extended without amendment for a further one (1) year period from the present or any future expiration date hereof, unless at least 30 days prior to the present or any future expiration date, the issuer notifies the Corporation of the District of Maple Ridge in writing by registered mail that it does not elect to consider this Irrevocable Standby Letter of Credit to be renewable for any additional period."

"Financial Institution" - Those which are named in the Municipal Investment Policy for the investment of municipal funds.