

**TWO-YEAR DEFECT WARRANTY LETTER OF CREDIT**

**Letter of Credit No.**

**Principal Amount**

KNOW ALL MEN BY THESE PRESENTS that we, Company Name & Address, as Principal, and Company Name & Address, a State & Type of Company authorized to transact surety business in the State of Colorado, as Surety, are held and firmly bound unto the Board of County Commissioners of El Paso County, Colorado, 200 S. Cascade Ave., Suite 100, Colorado Springs, CO 80903, as Obligee, in the penal sum of Dollar amount in words dollars (\$ dollar amount in numbers), lawful money of the United States of America, for the payment of which well and truly to be made, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, Principal Name has constructed in Subdivision Filing No. , in El Paso County, Colorado, the following improvements: , as more fully outlined in the attached Financial Assurance Form for Subdivision Filing No. .

NOW THEREFORE, the condition of this obligation is such that if the above Principal, for a period of two (2) years from and after the date of preliminary acceptance of the improvements described herein by the above Obligee, shall warranty said improvements free from defects in workmanship and materials and shall replace or repair any and all defects or deficiencies in said work resulting from defective materials or defective workmanship at the Principal's sole cost and expense, then this obligation shall be void; otherwise it shall remain in full force and effect and the Surety, upon receipt of a resolution of the Board of County Commissioners of El Paso County indicating that the improvements have not been repaired, replaced or the defects otherwise remediated, will complete the repairs, replacement or other remediation or pay to El Paso County such amount up to the Principal Amount of this Letter of Credit which will allow El Paso County to complete the repairs, replacement or other remediation.

In the event of any legal proceeding under this Defect Warranty Letter of Credit, this Letter of Credit shall be governed by and interpreted in accordance with the laws of the State of Colorado. Jurisdiction and venue shall be in the District Court in and for El Paso County, Colorado.

Provided further that said Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the Financial Assurance Form, or the work to be performed thereunder, or the specifications and plans accompanying the same or incorporated by reference into such Financial Assurance Form, shall in anywise affect its obligation on this Letter of Credit and it does hereby waive notice of any change, extension of time, alteration or addition to the terms of the Financial Assurance Form, or to the work, or to the specifications and plans.

Form MUST be Placed on Bank Letterhead

Signed, sealed and dated this       day of       , 20       .

\_\_\_\_\_  
Principal

\_\_\_\_\_  
Surety

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_