

PERFORMANCE BOND IMPROVEMENT AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 20____, by and between the CITY OF KALISPELL, MONTANA, Party of the First Part and hereinafter referred to as the CITY, and _____ a, _____, located at _____, (Owner/Developer) (individual, company, corporation) (Owner/Developer Address)

Party of the Second Part and hereinafter referred to as DEVELOPER.

WITNESSETH:

THAT WHEREAS, the Developer is the owner and / or developer of _____ (Development Name) located at _____, and, (Development Address)

WHEREAS, the City has conditioned the final approval of the aforementioned project upon the completion of improvements as cited in "Exhibit A" which have not been completed at this time. The Developer wishes to bond for the completion of those improvements set forth in "Exhibit A"; and

WHEREAS, the City will allow bonding for those improvement but will require that the Developer shall provide a financial security of 125% of the estimated total cost of construction of said improvements as evidenced by an estimate prepared by contractor, subcontractor or engineer included herewith as "Exhibit B"; and

WHEREAS, the estimated total cost of construction of said improvements is the sum of _____ (Value)

NOW THEREFORE, in consideration of the final approval of the aforementioned project by the City, the Developer hereby agrees as follows:

The Developer shall deposit as collateral with the City a Letter of Credit, or other acceptable collateral in the amount of _____ (Value x 1.25)

Said Letter of Credit or other collateral shall have an expiration date of at least sixty (60) days following the date set for completion of the improvements, certifying the following:

- a. That the creditor guarantees funds in the sum of _____ the estimated cost of (Value x 1.25) completing the required improvements at _____ (Development Address)
- b. That if the Developer fails to complete the specified improvements within the required period, the creditor will pay to the City immediately, and without further action, such funds as are necessary to finance the completion of those improvements up to the limited of credit stated in the letter.

That said required improvements shall be fully completed by _____ (Date)

That upon completion of the required improvements, the Developer shall cause to be filed with the City a statement certifying that:

- a. All required improvements are complete;
- b. That the improvements are in compliance with the minimum standards specified by the City for their construction.
- c. That the Developer knows of no defects in those improvements;
- d. That these improvements are free and clear of any encumbrances or liens;
- e. That a schedule of actual construction costs has been filed with the City; and,
- f. All applicable fees and surcharges have been paid.

ALSO AGREED BY AND BETWEEN THE PARTIES HERETO AS FOLLOWS, TO-WIT:

That the Developer shall provide for inspection of all required improvements prior to release from this Agreement and that if the City determines that any improvements are not constructed in compliance with the specifications, it shall furnish the Developer with a list of specific deficiencies and may withhold collateral sufficient to ensure such compliance.

If the City determines that the Developer will not construct any or all the improvements in accordance with the specifications, or within the required time limits, it may withdraw the collateral and employ such funds as may be necessary to construct the improvement or improvements in accordance with the specifications. The unused portions of the collateral shall be returned to the Developer or the crediting institution, as is appropriate.

Signature

(Name of Developer/Firm/Property Owner)

EXHIBIT A

This agreement specifically includes the following improvements, their projected construction completion date and estimated construction costs.

Check appropriate improvement and estimated remaining costs:

	<u>ESTIMATED COST</u>
<input type="checkbox"/> Grading/Paving Other (City ROW grading and reclamation)	_____
<input type="checkbox"/> Sidewalks	_____
<input type="checkbox"/> Curbs and Gutters	_____
<input type="checkbox"/> Sanitary Sewers Mains Other _____	_____ _____
<input type="checkbox"/> On-Site Sewage Facilities	_____
<input type="checkbox"/> Water Systems Mains Other _____	_____ _____
<input type="checkbox"/> Fire Hydrants	_____
<input type="checkbox"/> Storm Sewer or Drainage Facilities	_____
<input type="checkbox"/> Street Signs	_____
<input type="checkbox"/> Street Lighting	_____
<input type="checkbox"/> Street Monuments	_____
<input type="checkbox"/> Survey Monument Boxes	_____
<input type="checkbox"/> Landscaping	_____
<input type="checkbox"/> Other _____ _____ _____	_____ _____ _____
	TOTAL COST _____
	TOTAL COLLATERAL (TOTALS COSTS X 125%) _____