

CASH DEPOSIT
TO
GUARANTEE LABOR AND MATERIAL PAYMENT

This Agreement is to guarantee labor and material payment for subdivision improvements between _____, ("Subdivider") and the City of Visalia ("City"). By this Agreement the Subdivider pledges that a Cash Deposit in the amount of _____, shall be made with the City and shall be held by the City in trust for the purpose of guaranteeing payment to contractor(s), subcontractor(s), and to persons renting equipment or furnishing labor and materials to them, for the improvements in that certain subdivision known as _____ in accordance with the Subdivision Improvements Agreement between the Subdivider and the City, dated _____, a copy of which is attached hereto and made a part hereof, together with any changes or alterations agreed upon in writing by the Subdivider and the City.

The City will hold said Cash Deposit, determined to be fifty percent (50%) of the estimated cost of said improvements, until such time that the City authorizes its release. Subdivider and City acknowledge that the funds will be available for immediate use and no interest will be due Subdivider or owed by the City on the Cash Deposit. The City shall authorize the release of the Cash Deposit, which is not otherwise applied or released under this Agreement, to the Subdivider after the period in which the time to file suit against a payment bond has otherwise expired. Subdivider agrees to increase this Cash Deposit or provide additional security in an alternative form to reflect the higher estimated cost if the approved changes or alterations exceed ten percent (10%) of the original estimated cost of the public improvements as specified in the Subdivision Improvement Agreement.

If Subdivider fails to pay the contractor(s), subcontractor(s), and persons renting equipment or furnishing labor or materials to them, then upon the filing of a claim, the City shall pay the claim up to the amount of the Cash Deposit. The City shall not be required to consult with the Subdivider concerning claims and is hereby expressly permitted by the Subdivider to pay such claims pursuant to this Agreement. The City shall not be liable for any claims in excess of the Cash Deposit. Subdivider agrees to deposit additional funds if necessary upon request by the City. Upon completion of payments, any portion of said Cash Deposit, minus those additional expenses described below, remaining shall be returned to the Subdivider or his assignee. The City shall keep records of how the Cash Deposit was spent in accordance with making said payments.

This Agreement may be modified or revoked only with the written consent of both the Subdivider and the City.

The Subdivider acknowledges that the City shall be entitled to recover its costs and reasonable expenses, including reasonable attorney's fees, incurred in connection with the enforcement of the Subdivider's agreements herein. The undersigned Subdivider agrees to pay all expenses in connection herewith and that any portion of the Cash Deposit not used for payment to contractor(s), subcontractor(s), and to persons renting equipment or furnishing labor and materials to them, may be used to reimburse the City for these costs and expenses. If the Cash Deposit is insufficient to cover these additional costs the Subdivider agrees to separately pay the City's expenses.

The undersigned hereby agree to all of the above terms and conditions of this Agreement in regards to a Cash Deposit made for the purpose of guaranteeing payment to contractor(s), subcontractor(s), and to persons renting equipment or furnishing labor and materials to them, for the specified public improvements.

CITY OF VISALIA

SUBDIVIDER

By _____
Douglas S. Damko for City Engineer

By _____
Signature

Print Name: _____