

CASH DEPOSIT
TO
WARRANTY WORK

This Agreement is to warranty 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 the work, labor and materials furnished for the construction of 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 condition of this obligation is that City shall hold said Cash Deposit, determined to be ten percent (10%) of the estimated cost of said improvements, as a guarantee against any defective work or labor done or defective materials furnished during the construction of the improvements as described therein for a period of one (1) year following the filing of the Notice of Completion and acceptance of said improvements by the City. 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. 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.

The City Engineer shall submit a signed statement to the Subdivider during said one (1) year period for any defect of the guaranteed work, labor or materials which becomes apparent. The Subdivider shall repair and/or replace any defective work or labor done or defective materials furnished within sixty (60) days of receiving said statement from the City Engineer. If the Subdivider fails to repair and/or replace any defective work or labor done or defective materials furnished for the construction of improvements to the satisfaction of the City, in accordance with the Subdivision Improvements Agreement attached hereto, the Subdivider agrees the Cash Deposit shall be used by the City to complete said improvements. No further notice is required by the City to the Subdivider for the City to release the Cash Deposit to repair and/or replace any defective work or labor done or defective materials furnished and no additional permission from the Subdivider will be required for the Cash Deposit to be used to repair and/or replace any defective work or labor done or defective materials furnished.

The City agrees that if Subdivider fails to perform and the Cash Deposit is spent by the City to repair and/or replace any defective work or labor done or defective materials furnished, then the Cash Deposit shall be used solely for the purpose of repairing and/or replacing any defective work or labor done or defective materials furnished, and for no other purpose. Upon the end of the term stated above and in accordance with the Subdivision Improvement Agreement attached hereto, and the acceptance thereof by the City Engineer of repaired or replaced work, 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 the how Cash Deposit was spent to complete the repair and/or replacement.

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

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 this Agreement. The undersigned Subdivider agrees to pay all expenses in connection herewith and that any portion of the Cash Deposit not used to repair and/or replace any defective work or labor done or defective materials furnished for the construction of improvements 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 the work, labor and materials furnished for the construction of the specified public improvements.

CITY OF VISALIA

SUBDIVIDER

By _____
Douglas S. Damko for City Engineer

By _____
Signature

Print Name: _____