

GUARANTEE ACCOUNT (PERFORMANCE AND/OR MAINTENANCE)

Bond Tracking #: _____ (office use)

Lynnwood Subdivision/Plat/Permit #:
Project Site Address:
Owner/Developer/Contractor ("Principal"):
Principal Address:
Project Name:

Frozen Fund Account

With reference to the above-identified matter, this will certify that this Institution has a savings account (or loan) for the above-referenced developer for the project so identified. In consideration of the permitted development of the property, and in lieu of a performance or maintenance bond, this Institution hereby agrees that it will freeze and hold the following sums of money for the indicated site improvements or maintenance pending written authorization for release of said funds by the City of Lynnwood in the amount of \$_____ lawful money of the United States.

The total sum indicated will be withheld by this Institution from any disbursements of any kind until written authorization has been received by the Institution from the City of Lynnwood to release the sum of money indicated.

Installation of Improvements (Applicable if account is established for installation of improvements)

1 Description of Improvements

The design, location, materials and other specifications for the indicated site improvements are those required by the City of Lynnwood as appear in the above-referenced Lynnwood file and in compliance with requirements of said City. Any specific requirements are noted as follows:

2 Completion Date and Release of Funds

The City of Lynnwood may demand, and the Institution shall make, payment to the City of said funds so that the improvements can be installed or completed immediately to City standards. The City shall be entitled to use the funds for completion of the improvements and charge an additional fifteen percent (15%) administration fee.

3 Release of Account

In the event that all work is satisfactorily completed and acceptable to the City, then the City will authorize release of the account, plus interest, to the owner.

Upon application, the City may agree to a partial release of the account. (If schedule is agreed, attach and initial schedule)

Maintenance and Repair (Applicable if account is established for maintenance and repair)

1 One Year Maintenance and Repair Obligation

In the event the owner/developer/contractor fails to maintain and repair the improvements for the indicated site for a period of twelve (12) months after the installation and approval by the City of Lynnwood, the City of Lynnwood may demand, and the Institution shall make, payment to the City of said funds so that the improvements can be maintained or repaired by the City.

2 Emergency Repairs

Whenever, in the opinion of the City Director of Public Works or his designates, a condition exists wherein emergency repairs are deemed necessary to preserve and maintain the public safety and welfare, the city may cause such work to be done with all reasonable dispatch, after making a reasonable attempt to notify the Principal and give the Principal an opportunity to make the necessary repairs. Such Principal agrees to reimburse the city of Lynnwood for such emergency repairs, plus a fifteen percent (15%) administrative fee.

3 Non-Emergency Repairs

Other necessary maintenance and repair shall be promptly performed by the Principal upon receipt of written notice from the Department of Public Works directing the performance of such work. If the Principal fails to commence work within fourteen (14) days of such notice, the City may perform the work either directly or by contract at the expense of the Principal, plus fifteen percent (15%) of the City's costs for administrative and enforcement costs.

4 Inspection After One Year

At the end of the one year maintenance by the Principal, the City will inspect the subject improvements. If subject improvements are in a condition satisfactory to the City Director of Public Works, the City will give written notice of acceptance and then this obligation shall be void; otherwise, it will remain in full force and effect until the improvements are accepted in writing by the City Director of Public Works.

General

1 Attorney Fees and Costs

It is hereby specifically agreed by and between the parties hereto that in the event that any legal action must be taken to enforce the provisions of this bond or to collect said bond, that the prevailing party shall be entitled to collect its cost and reasonable attorneys' fees as a part of the reasonable costs of securing the obligation hereunder. In the event of settlement or resolution of these issues, prior to the filing of any suit, the actual costs incurred by the City, including reasonable attorneys' fees, shall be considered a part of the obligation hereunder secured. Said costs and reasonable legal fees shall be recoverable by the prevailing party, not only from the proceeds of this bond account, but also over and above said body as a part of any recovery in any judicial proceeding, in addition to recovery on the bond account.

2 Owner Liability for Delinquency

In the event that the sums maintained in this account are inadequate to meet all of the expenses incurred by the City, then the Principal agrees to reimburse the City for any such additional expense, plus a fifteen percent (15%) administrative fee.

3 Non-liability of Institution

The Institution shall not be liable to the owner for any disbursements of any funds to the City.

4 Indemnification and Hold Harmless

The Principal shall indemnify and save harmless the City of Lynnwood from all claims, actions or damages of every kind and description which may accrue as a result of the construction and/or maintenance of the improvements including as a result of opening and/or working upon any roadway, street, alley, avenue or other public place, in installing or making connections with any public or private sewer or water system, or any other purpose or object whatsoever.

DATED this _____ day of _____, 20____ ;

INSTITUTION

PRINCIPAL

 Name of Bank
 Address: _____

 Phone: _____
 Account #: _____

 Officer/Title

 Owner/Developer/Contractor
 Address: _____

 Phone: _____

 Signature

 Accepted by City of Lynnwood

 Date

SURETY ACKNOWLEDGMENT

STATE OF WASHINGTON)
)ss
 COUNTY OF _____)

On this _____ day of _____ 20____ before me, the undersigned, a Notary Public in and for the State of Washington, duly commissioned and sworn, personally appeared _____, to me known to be the _____ of _____, the corporation that executed the foregoing instrument, and acknowledged the said instrument to be the free and voluntary act and deed of said corporation, for the uses and purposes therein mentioned, and on oath stated that _____ was authorized to execute said instrument and that the seal affixed is the corporate seal of said corporation.

 NOTARY PUBLIC in and for the State of Washington
 My commission Expires: _____