

**ASSIGNMENT OF FUNDS
IN LIEU OF CONSTRUCTION SURETY
BOND, INCLUDING SPECIFIC
PERFORMANCE & MAINTENANCE
PROVISIONS**

Project: _____
KIVA: _____
Location: _____
Tax Account #: _____
Bond Account #: _____

1. SPECIFIC PERFORMANCE

_____, a [type of entity:] _____
("Principal"), does hereby assign, transfer and set over unto the City of Thornton all rights,
title and interest in and to the sum of
\$ _____

Deposited in a [account type] _____ Account No. _____
In [branch name] _____ of [name of bank or other institution]
_____;

said account being in the name of

_____ as Principal. The Principal hereby grants the City of Thornton full power and authority to demand, collect and receive said deposit and to discharge or release it to Principal.

The monies assigned to the City equal at least 100 percent of the approved engineer's estimate of the cost to complete the construction project that the Principal wishes to undertake, as described in approved plans on file with the City's Development Engineering Department, to be forfeited in full to the City upon the Principal's failure to perform. The Principal has agreed to obligate themselves to the City in the listed amount because undertaking this construction project ("the Improvements"), may cause damage and disruption to land and /or public rights-of-way within the City limits.

2. GENERAL TERMS & CONDITIONS

- a. All construction and restoration shall be in accordance with the City of Thornton Standards and Specifications in effect on the date this bond is fully executed. The improvements and their appurtenances shall be constructed in accordance with the approved plans.
- b. The City's Construction Inspector shall be given at least twenty-four (24) hours' notice prior to the commencement of **any work.**
- c. Traffic control during construction shall be in accordance with the Manual on Uniform Traffic Control Devices, and as approved by the City of Thornton.

- d. Construction shall be completed no later than **365 days** after construction begins unless the Development Engineering Department, for good cause shown, has granted an extension of time. Absent a showing of good cause for delay, failure to complete construction within 365 days shall result in the requirement that additional bond monies be posted or immediate for feature of all bond monies, at the discretion of the City of Thornton.

3. TERM OF BOND – GENERALLY

- a. Monies earmarked as surety for specific performance shall remain in trust and subject to forfeiture until initial acceptance of the Improvements by the City, provided, partial early release of funds may be allowed as described below.
- b. Maintenance monies shall be held for one year after date of **initial acceptance** by City to ensure maintenance and warranty repairs are properly performed by Principal and any defects in construction are repaired.

4. ASSIGNED MONIES SHALL BE RELEASED UPON DEMAND OF THE CITY OF THORNTON, AND ONLY WITH THE CITY'S CONSENT

It is understood and agreed that all monies being held under this Assignment will be released to the City of Thornton on demand with no other condition of release. It is further understood and agreed that the institution named above holds said monies in its possession and agrees to hold these monies until a release of this Assignment is received in writing from the city of Thornton.

5. PARTIAL RELEASE OF BOND MONIES AS WORK IS SATISFACTORILY PERFORMED

The parties agree that **100%** of the penal sum listed in section I, above, shall constitute surety funds to guarantee specific performance by the Principal of the work required to construct and maintain the Improvements. However, portions of the penal sum may be released prior to final acceptance of the Improvements by the City if the Development Engineering Department has determined that all major stages of construction have been satisfactorily completed.

6. WHEN ADDITIONAL BOND MONIES REQUIRED

The City may require additional surety monies be posted whenever a change in circumstances appears to make additional security necessary as a guaranty of performance by the Principal.

7. FORFEITURE DUE TO NON-PERFORMANCE

- a. Failure by Principal to fully and satisfactorily perform, or to post additional surety monies as required by the City, shall result in forfeiture to the City of any and all monies held under this Assignment.
- b. Failure by Principal to satisfactorily complete construction within **365 days** after construction was begun, absent any extensions granted for good cause, shall constitute non-performance per se.

8. MONIES HELD AS WORKMANSHIP & MAINTENANCE SURETY

- a. Principal agrees that **15 % of the penal sum indicated in Section 1 or \$10,000**, whichever is greater, shall be held in trust as a guaranty against potential costs to the City related to defective materials or workmanship or to ensure performance of other maintenance required by the Improvements. This sum shall be held in trust for a period of **one year** from the date of initial acceptance of the Improvements by the City.
- b. To avoid forfeiture of monies, Principal agrees to promptly correct any deficiencies in construction and/or make any emergency repairs requested by the City during the one year period. Principal agrees to promptly reimburse the City for any emergency repairs performed by the City or its agents.
- c. To avoid forfeiture of of monies, Principal agrees to properly maintain the Improvements pending final acceptance of the Improvements by the City.

9. FINAL RELEASE OF ALL REMAINING MONIES

Any monies still held under this Assignment that have not been otherwise forfeited due to non-performance shall be released **one year** after the date of **initial acceptance** of the Improvements by the City or until **final acceptance** is granted by the City, provided, any monies subject to dispute between the parties shall remain in trust pending resolution of the dispute.

Signed and executed this _____ day of _____, 200__.

SIGNATURE OF PRINCIPAL

Print Name and Title

Address:

Telephone: _____

Document1

RELEASE

The undersigned does hereby acknowledge that conditions of the foregoing obligation have been satisfactorily met, and hereby authorizes the release of the sum of \$ _____ from (Account No.) _____ in (name or BANK or other institution _____).

Dated this _____ day of _____, 200__.

City of Thornton

Authorized Signature: _____

Print Name: _____

Title: _____