MAINTENANCE AND GUARANTEE BOND
LETTER OF CREDIT
STREETS

The undersigned, _____, "Principal," whose address is _____, prior to or with the execution of this Maintenance and Guarantee Bond, has provided, or does provide to the City of Novi, security in the total amount of $ _____. Such security has been posted in the form of irrevocable Letter of Credit No. _____ issued by _____ ("Bank"), for which payment Principal and Bank bind themselves, their heirs, executors, administrators, successors, and assigns, jointly and severally.

The Principal has constructed or contracted to construct certain improvements, consisting of _____ within the City of Novi, shown on plans, dated _____("Improvements").

WHEREAS, as part of the development of property located at _____and more particularly described as:

Parcel ID Number: _____
Project Name: _____
Site Plan No. _____

The Principal, for a period of ___2___ years after said improvements and installations are accepted formally as a public right-of-way through City Council resolution by the City of Novi, shall keep the improvements in good functioning order by immediately repairing any defect in same, whether due to the improper or defective materials, equipment, labor, workmanship, or otherwise, and shall restore the improvements and any other property of the City or third persons affected by the defect(s) or repair(s), without expense to the City, whenever directed to do so by written notice from the City, served personally or by mail on the Principal at its address as stated in this Bond. Principal consents to such service on their employees and/or agents.

If the repairs directed by the City are not completed within the time specified in the notice, which shall not be less than one week from service of the notice, the City shall have the right to perform or secure the performance of the repairs, with all costs and expenses in doing so, including an administrative fee equal to twenty-five percent (25%) of the repair costs, charged to and to be received from the Principal from the letter of credit posted.

Emergency repairs that are necessary to protect life and property may be undertaken by the City immediately and without advance notice to the Principal and Surety, with the cost and expense of the repair, plus the administrative fee, to be charged to and received from the Principal or Surety from the funds posted.

Any repairs the City may perform as provided in this Bond may be by City employees, agents, or independent contractors. The City shall not be required to utilize competitive bidding unless otherwise required by applicable law, with labor cost and expense charges when City employees are utilized to be based on the hourly cost to the City of the employee(s) performing the repair.

This Bond and the obligations of Principal under it shall be in full force and effect for the Improvements described above for ___2____ years from the time they are accepted formally as a public right-of-way through City Council resolution by the City of Novi, for defects discovered within that period for which the City provides written notice to the Principal within fourteen (14) days of discovery of the defect.

It is a further condition of this Bond that the Principal shall fully indemnify, defend, and hold the City, and its officers, officials, and employees, harmless from all claims for damages or injuries to persons or property arising from or related to the acts or omissions of Principal, its servants, agents, or employees in the construction or repair of the improvements, including claims arising under the worker's compensation laws of the State of Michigan.

This Bond was executed by the Principal on the dates indicated below, with the authority of the persons signing this Bond confirmed by the attachments hereto.

The date of the last signature shall be considered the date of this Bond, which is _____.

PRINCIPAL:

Date: _____ _____

By:

WITNESS: Its:

_____

Date: _____

WITNESS:

_____