



**AGREEMENT IN LIEU OF BOND
FOR
MAINTENANCE OBLIGATIONS**

The City of Sedro-Woolley (“City”) and _____
(Applicant) agree that Applicant shall be responsible for the maintenance obligations set forth herein.

The purpose and intent of this Agreement is to define Applicant’s maintenance obligations for the below identified improvements, to be secured by an irrevocable letter of credit or assignment of savings, as approved by the City.

This Agreement and accompanying irrevocable letter of credit or assignment of savings is executed in lieu of a maintenance bond. This Agreement does not create a joint venture or partnership of any kind between the parties, nor does it create any third party beneficiary rights.

The condition of these maintenance obligations is that Applicant has caused to be constructed _____ (“Improvements”) in that subdivision known as _____ “Project”, located in Section _____, Township _____, Range _____, of W.M., Skagit County, Washington.

Applicant warrants the performance and guarantees the workmanship and materials used in the construction of the Improvements and will make repairs, correct deficiencies, and perform other than routine maintenance for a period of two years from City acceptance of said Improvements as constructed to City standards and in conformance with requirements of any plat, permit, or other City approval.

In addition, if the Improvements require repairs or maintenance within the two-year period, reimbursement shall be as follows:

1. The City shall perform all emergency repairs. If damage was caused because of faulty workmanship, negligence, materials, or design, then the City shall be reimbursed for its efforts. If the emergency did not relate to the workmanship, materials, negligence, or design, then the City shall bear the costs of repair.
2. If the repair or maintenance is not of an emergency nature but still is the result of faulty workmanship, negligence, materials, or design, then the City shall give the undersigned a seven (7) day written notice to repair the damage which will be repaired by the undersigned at their expense. If after seven (7) days, the repairs are not done or efforts to rectify the situation are not agreed to, the City shall then do the work at the expense of the undersigned.
3. If it is routine maintenance or repair not related to the workmanship, negligence, materials, or design of the Improvements, then the City shall perform the work at its own expense.

