

**MAINTENANCE AND GUARANTEE BOND**

The undersigned, \_\_\_\_\_, "Principal," whose address is \_\_\_\_\_, and \_\_\_\_\_ "Surety," whose address is \_\_\_\_\_, will pay the City of Novi, "City," and its legal representatives or assigns, the sum of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) in lawful currency of the United States of America, as provided in this Bond, for which payment we bind ourselves, our heirs, executors, administrators, successors, and assigns, jointly and severally.

The Principal and the City have entered into a certain written contract, dated \_\_\_\_\_, for purposes of Installation of improvements, including but not limited to storm sewer and paving. ("Improvements").

Upon inspection of the improvements, the City discovered a storm sewer defect that may cause improper operation of the storm sewer and/or damage to the City's paving in the future. The defect is identified in the attached and incorporated Exhibit A, which shall remain on file with the City. Principal has attempted to repair the condition to the City's satisfaction but can not do so without incurring substantial expenses relating to removal and replacement of the paving, in addition to the defective storm sewer improvement. Therefore, the Principal has requested, and the City has agreed to permit the Principal to leave the storm sewer in the defective condition unless and until it causes further damage to City improvements or operates improperly. If after a ten (10) year period has expired, and no damage or malfunction has resulted from the defect, the Principal shall be released from any requirement to repair the defective storm sewer improvement. If damage or malfunction occurs within the ten (10) year period of this Bond, the City may require the Principal to repair or replace the defective improvements, and restore any area damaged by such repair. If, after notice is given, Principal is unwilling or unable to repair or replace the defective improvement(s), and restore the surrounding area, the City may do so at the Principal's expense in accordance with the terms of this Bond. This Bond is given in satisfaction of a lawful condition of the City's entry into the contract that a corporate surety bond in the above amount be provided in favor of the City, guaranteeing the workable condition, workmanship, and materials involved in construction of the storm sewer and paving improvements.

The Principal, for a period of ten (10) year(s) after said improvements and installations are accepted formally as public by the City, shall keep the improvements in good functioning order by immediately repairing the storm sewer defect identified above, 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 and Surety at their respective addresses as stated in this Bond. Principal and Surety consent 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 or Surety.

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.

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 and Surety under it shall be in full force and effect for the Improvements described above for ten (10) year(s) commencing with the date of final acceptance by the City for the storm sewer defect described above.

It is a further condition of this Bond that the Principal and Surety 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 and Surety 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:

\_\_\_\_\_

SURETY:

Date: \_\_\_\_\_

\_\_\_\_\_

By:

WITNESS:

Its:

\_\_\_\_\_