

**MAINTENANCE AND GUARANTEE BOND**  
**LETTER OF CREDIT**  
**UTILITIES**

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 \_\_\_\_\_ for the \_\_\_\_\_  
development within the City of Novi, site plan number \_\_\_\_\_ shown  
on plans dated \_\_\_\_\_ ("Improvements").

The Principal, for a period of two (2) year(s) after said Improvements and  
installations are accepted formally as a public improvement by the City of Novi, by  
written acknowledgment, shall keep the Improvements in good functioning order by  
immediately repairing any defect in same, whether due to 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 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, with  
the cost and expense of the repair, plus the administrative fee, to be charged to and  
received from the Principal.

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 two (2) year(s) from the time they are accepted formally as a improvement 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: \_\_\_\_\_

\_\_\_\_\_

WITNESS:

By:  
Its:

\_\_\_\_\_

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

WITNESS:

\_\_\_\_\_