

FINANCIAL GUARANTEE AGREEMENT
[Form B]

THIS AGREEMENT, made this ___ day of _____, 2008, by and between _____, (hereinafter referred to as "Applicant") and the Golden Gate Highway District No. 3 (hereinafter referred to as "District").

IT IS AGREED:

1. APPLICANT agrees to complete, or cause to be completed, the improvements as shown on Drawing(s) No. _____, Sheet(s) _____ through _____, for _____ (hereinafter referred to as "Project") in accordance with special provisions as set forth by the District as are on file in the office of the District, on or before the ___ day of _____, 2008, or such latter time as may be extended, in writing, by the District, including the installation of all necessary utility lines, structures and service connections directly associated with the project within the public rights-of-way and easements.
2. APPLICANT agrees to pay for all labor and material costs for completion of the improvements, and the improvements are to be completed free and clear of all liens, encumbrances, assessments, or unpaid obligations.
3. APPLICANT agrees that all improvements listed herein shall be completed according to standard specifications adopted by the District and to pay, when due, all fees incurred or charged by the District in connection with this project.
4. Upon acceptance of the roadway by the Highway District, Applicant shall furnish a cash deposit, Surety Bond or irrevocable letter of credit in the amount of 50% of the construction cost¹ of the improvements. This guarantee shall remain in effect for (1) one year, after acceptance of the roadway by the Highway District, assuring performance of Applicant's obligations under this agreement. "Public or special improvements" are defined as follows: road improvements operated and maintained by the Highway District; and others as follows:

In the event Applicant fails to complete the "public or special improvements" as herein set out, District, at its option, may complete the project, or cause it to be completed, and the cost thereof in labor and material costs, or for the District to perform any observations, tests, or retests, whereby test results of the materials to be used and/or installed are shown not to conform to District detailed specifications, shall be the amount of liquidated damages, plus court costs and reasonable attorney fees incurred by the District in relation thereto, which amounts shall be a charge against the cash deposit, Surety Bond, or letter or credit. The Applicant shall be liable for any deficiency incurred over and above the amount of the bond or letter of credit furnished.

5. DISTRICT agrees that upon satisfactory completion of the improvements listed herein, in accordance with the specifications and requirements of said District, the District will be responsible for continuous maintenance of the public street within the District's boundaries.
6. APPLICANT further agrees neither the final certificate of completion nor any provision within this agreement nor partial or entire use of the improvements embraced in this agreement by the District or the public shall constitute an acceptance of work not done in accordance with said approved drawings and District standards and specifications or relieve the Applicant of liability in respect to any or all warranties or responsibility for faulty materials or workmanship. The Applicant shall remedy or shall cause to be remedied promptly any defects in the work and to pay for any damage to other work resulting therefrom which shall appear within a period of one (1) year from the date of final completion of the improvements. The District will give notice of defective materials and work with reasonable promptness.
7. APPLICANT agrees that a licensed, professional engineer supervised the construction and certified that all improvements are constructed in accordance with the District's "Construction Inspection Policy Statement," a copy of which is attached and hereby made a part of this agreement.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the date first written above.

GOLDEN GATE HIGHWAY DISTRICT NO. 3

By: Chairman

ATTEST:

Secretary

APPLICANT
