

## Performance Guarantee

Note: The Developer should ask the Board in the Preliminary Plan submittal if a performance Guarantee will be required for proposed subdivision improvements

List all improvements including but not limited to roads, sidewalks, curbing, public water and sewer, common use wells or shared septic disposal systems, public water supply and sewage disposal lines, stormwater control facilities, utility lines and poles, street lights, and erosion control measures

Provide a cost estimate from three independent sources for completion of each improvement accounting for an inflation factor when considering the time to complete the improvement

### Type of Guarantee

\_\_\_\_\_ Performance Bond payable to Town issued by a surety company

\_\_\_\_\_ An irrevocable letter of credit from a financial institution establishing funds for the construction of the subdivision from which the Town may draw if construction is unsatisfactory

\_\_\_\_\_ Conditional approval limiting the number of lots sold until improvements have been satisfactorily constructed

\_\_\_\_\_ Specify improvement(s) for which Performance Guarantee is required.

### Contents of Guarantee

\_\_\_\_\_ Provide an anticipated construction schedule

\_\_\_\_\_ Provide cost estimates for each major phase of construction

\_\_\_\_\_ Provisions for inspections for each major phase of construction by qualified personnel maintained by the developer and approved by the Town Code Officer, Road Commissioner, or appropriate person

\_\_\_\_\_ Provisions for the release of the performance guarantee to the developer

\_\_\_\_\_ A date after which the developer will be in default and the Town will have access to all funds to finish the construction

\_\_\_\_\_ Conditions for the release of the bond or line of credit to the Town or applicant

\_\_\_\_\_ Approval of Municipal officers for performance bond or irrevocable line of credit from financial institution

Conditional Agreement - No more than four lots may be sold or built upon until all improvements have been satisfactorily completed or an additional performance guarantee is approved for the uncompleted improvements

\_\_\_\_\_ If you are proposing this as a performance guarantee, in lieu of other financial performance guarantees, indicate how money from the sale of lots will be used to fund improvements.

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