

## 5.12 Improvement Agreements and Guarantees

(1) **Contract.** Prior to installation of any required improvements and prior to approval of a CSM or Final Plat, the land divider or subdivider shall enter into a written contract with the Town requiring the land divider/subdivider to furnish and construct said improvements at the land divider's/subdivider's sole cost and in accordance with plans and specifications and usual contract conditions, which shall include a provision for inspection of construction details by the Town Engineer.

(2) **Financial Guarantees.**

(a) The agreement shall require the land divider/subdivider to make an escrow deposit or in lieu thereof to furnish a performance bond, the amount of the deposit and the penal amount of the bond to be equal to 125 percent of the Town Engineer's estimate of the total cost of the improvements to be furnished under the contract, including the cost of inspection. In the sole discretion of the Town Board, the land divider/subdivider may also assure payment for the improvements by filing an irrevocable letter of credit issued by a national or state chartered financial institution in the same amount running to the Town of sufficient duration to assure the completion of installation of the improvements.

(b) On request of the land divider/subdivider, the contract may provide for completion of part or all of the improvements covered thereby prior to acceptance of the plat, and in such event the amount of the deposit, bond or letter of credit shall be reduced in a sum equal to the estimated cost of the improvements so completed prior to acceptance of the plat only. If the required improvements are not completed within the

specified period, all amounts held under performance bond shall be turned over and delivered to the Town and applied to the cost of the required improvements. Any balance remaining after completion of such improvements shall be returned to the owner or land divider/subdivider. The Town Board, at its option, may extend the bond period for additional periods not to exceed two years each period.

- (c) The time for completion of the work and the several parts thereof shall be determined by the Town Board upon recommendation of the Town Engineer after consultation with the subdivider. The completion date shall form part of the contract.